PolicyWatch

Covering developments on policy responses, policy implementation and policy distortions on a quarterly basis. Comments are welcome.

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CUTS International

INSIDE THIS ISSUE

HIGHLIGHTS

"The reformer has enemies in all those who profit by the old order and only lukewarm defenders in all those who would profit by the new".
Machiavelli in *The Prince*

Economically Responsible Justice

The Supreme Court collegium has recently cleared a record 51 names for high court judge posts. Of these, 20 are judicial officers and 31 are advocates. Besides, not much information is available in the public domain about the expertise of the selected individuals.

In the rush to fill judicial vacancies, there should be no compromise in the quality of judicial decisions and need to ensure judges are capable of dealing with increasingly complex issues interlinking law, economics, technology, intellectual property, competition and allied fields.

An inability or unwillingness to take into account economic considerations in judicial decisions is putting a significant number of jobs at risk, and a substantial amount of investment in peril. Therefore, it is time to enable delivery of economically responsible justice by addressing the issue squarely.

Knowledge about the interfaces between law, economics, technology, cybersecurity, intellectual property and allied fields – and their overlaps – is increasingly becoming relevant for the higher judiciary in order for them to adjudicate fairly. A quick review of recent decisions reveals that it is unfortunately not up for the challenge.

Further, lack of economic analysis while passing judgement has the potential to create an adverse impact on employment, growth of infrastructure, hospitality, tourism, real estate and other economically relevant sectors, revenue of state and central governments, and balance sheets of banks and financial institutions, without having the desired positive impact on social behaviour.

While the importance of economic impact of decisions may often be recognised, the depth of economic analysis and the significance given to it while decision making seem to be inadequate. A comprehensive economic analysis not only aids in sound decision making, but also promotes transparency and enhances the quality of decision making.

The judiciary should conduct sound economic analysis before arriving at decisions and efficiently communicate the rationale of its decisions.

It should be recognised that the economic impact of judicial orders could be direct, indirect, patent or latent, and different stakeholder groups could be differently affected. Accordingly, capacity building within the judiciary to balance different competing interests will be needed.

Economic impact assessment of judicial decisions will aid in upholding the credibility of the judiciary and the quality of judicial decision making, which is increasingly coming under scrutiny. Judges need to understand the complex linkages between various areas of governance and economic and legal activity today to ensure *delivery of economically responsible justice.*

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COMMUNICATION

Facing Severe Call Drops

To tackle the menace of call drops, the Department of Telecommunications (DoT) had launched the Integrated Voice Response System (IVRS) survey in 2016 to collect direct feedback from subscribers on call quality.

Out of 2.21 lakh subscribers participating in the survey, about 1,38,072 (62.5 percent) subscribers have reported call drops, stated DoT.

From the feedback it has been observed that the problem of call drops is more severe indoors. The feedback is shared with the telecom service providers for taking action in a time bound manner. *(IE, 06.04.17)*

Discriminatory Tariffs Banned

Telecom Regulatory Authority of India (TRAI) has barred mobile-phone operators from offering different plans to subscribers in the same category, and has asked them to ensure that every tariff that is offered to a customer is invariably reported to the authority as per the reporting framework under the forbearance regime.

The directions issued in the form of a tariff order came after complaints to telecom regulator from Reliance Jio that Bharti Airtel, Vodafone India and Idea were offering special tariff vouchers, packs and discounts to influence those users wanting to shift out of their networks to Jio.

(ET, 26.05.17)

Citizen's Right to Privacy

The centre has recently submitted the Supreme Court that it was committed to freedom of choice and the right to privacy of citizens and was in the process of coming out with a regulatory regime or it would either frame a statutory rule or issue executive guidelines, on data protection.

The central government is committed to freedom of choice and right to privacy of citizens, said Additional Solicitor General (ASG), Tushar Mehta.

However, the apex court has asked Mehta that if the citizens felt their rights are affected due to the privacy policy, what would be the role of the court. *(BS, 16.05.17)*

Faster Internet Services

Indian smartphone users could hope for faster Internet services in the future as TRAI will look into data speeds promised by carriers and the actual speed, citing increasing number of consumer complaints.

The regulator had set the minimum download speed at 2 mbps effective January 01, 2015, up from 512 kbps earlier, while introducing the Myspeed Analytics App, which collects data speed via crowdsourcing.

TRAI wants to help consumers make informed choices by ensuring transparency in data speeds, as disclosures made by carriers on data speed, contract terms, latency, etc. are not always understood.

(ET, 02.06.17)

Big Leg up for EoDB

TRAI is aiming at increasing foreign direct investment (FDI) and facilitating speedier mandatory clearances for companies that could give a big leg up to 'Ease of Doing Business' (EoDB) in the telecom sector.

TRAI had on March 14, 2017 issued a Consultation Paper seeking views from the industry on 'Ease of doing Telecom Business' with an objective to identify the bottlenecks or obstacles that were making it difficult to undertake telecom business in India and required regulatory intervention.

Issues hurting the sector's growth like consumer protection, quality of service, level-playing field and financial health have already been identified. *(ET, 08.05.17)*

Easing Balance Sheets

India's telcos are pushing back against the huge pressure on profitability amid falling revenue and cutting costs by changing vendor contracts, relooking at energy and managed services costs etc., industry experts said.

"Increasing tariffs is not an option for most operators because the market is very competitive. The way out is to cut costs", said Mahesh Uppal, Director of Com First (India) Pvt. Ltd. Operators have emphasised on different cost-cutting strategies they will continue for the year ahead, which are being used to bring down the costs. *(ET, 01.06.17)*

CUT Prices and Pass GST

The Cellular Operators Association of India (COAI), which represents India's biggest phone companies, such as Bharti Airtel, Vodafone India, Idea Cellular and Reliance Jio Infocomm, will question the logic of the Finance Ministry's decision to impose an 18 percent Goods and Services Taxes (GST) rate on telecom services.

COAI is likely to reiterate that 'telecom' is an essential-cum-emergency service under the Essential Services Maintenance Act, and is availed of by the masses.

Thus, the applicable GST rate must be aligned with the merit rate of tax applicable for essential goods and services, which is well below 15 percent. *(ET, 02.06.17)*

• TRANSPORT •

Multi-modal Transport

The Centre will soon frame a policy on integration of various modes of transport aimed at smooth transition of cargo, Road Transport, Highways and Shipping Minister Nitin Gadkari announced. "We will frame a policy for an integrated approach for our transportation network", he said.

Railway Minister Suresh Prabhu proposed a single company for multi-modal transportation of cargo. "We need the integration of roads, ports, waterways and airways.

The Railways is targeting an increase in freight traffic on routes beyond 400 km", added Prabhu.

(TH, 05.05.17)

Highway Expansion Shoots up

The NDA government's work order for highway expansion has shot up by 122 percent during the first three years of Modi government and the pace of construction has gone up by 25 percent, according to data released by the Road Transport and Highways Ministry.

During 2011-2014, daily Highway construction was about 13 km in comparison to 17 km during the three years of Modi government.

The acceleration in award of works to road builders is also note worthy – over 11,000 km on an average in the past three years against only 5,000 during United Progressive Alliance's (UPA's) corresponding period. *(ToI, 17.05.17)*

Rules for 'No-fly' List

The Civil Aviation Ministry plans to come out with rules that will govern how airlines act when it comes to barring people from flying – in term of the grounds as well as the duration – in what will amount to seizing powers hitherto resting with carriers.

The rules will be framed by aviation regulator Directorate General of Civil Aviation (DGCA), in consultation with the Ministry.

Civil Aviation Minister Ashok Gajapati Raju said flight safety was paramount and that unruly passengers would not be tolerated.

(Mint, 28.03.17)

www.hindustantimes.com

No Harassment Policy

If an airline can shut its doors for passengers who get late even by a minute, why should not a customer get compensated if a flight gets delayed by an hour?

The Supreme Court has asked the DGCA to examine the question and come out with a policy for domestic carriers to stop 'harassment' of passengers who are left high and dry in case of a flight delay.

A bench headed by Justice M B Lokur has asked the DGCA to take to relook at the policy and formulate a new one after consulting the stakeholders. *(HT, 05.04.17)*

Building Roads of 47,000 Km

The government has built 47,350 km of rural roads under the flagship *Pradhan Mantri Gram Sadak Yojana* (PMGSY) in 2016-17, the most in seven years. The faster pace of road construction is expected to boost the rural economy and improve access of rural Indians to education and healthcare.

In 2016-17, the pace of construction rose to a record 130 km of rural roads per day. Some 11,614 habitations were provided connectivity by the construction of the PMGSY roads in 2016-17 or an average of 32 habitations were provided connectivity every day.

(Mint, 04.04.17)

Impact Location of Major Ports

The Union Minister for Road Transport, Highways and Shipping has expressed dissatisfaction over the state of affairs at Indian Maritime University, located on the outskirts of Chennai.

On whether the location of major ports in Chennai and Tiruvallur in Tamil Nadu and the adjoining district of Nellore (Andhra Pradesh) in close proximity would create problems in the long run, Nitin Gadkari pointed out that this would not be the case as 'there exists a huge potential'.

Indicating that the Port-Maduravoyal project would take off soon, he said that he was getting good cooperation from the state government. *(TH, 10.06.17)*

Norms for Diesel Locomotives

The Engine Development Directorate of the Research Designs and Standards Organisation has drawn up the draft norms for diesel locomotives.

The interim report – Exhaust Emission Benchmarks for Diesel Locomotives on Indian Railways – attempts to set standards and protocols for the sector to achieve the targets submitted by India under the Paris Climate Change Agreement.

The emission burden from the entire transport sector has risen 3.5 times since 1990 to stand at 250 million tonne carbon dioxide. The railways contributed 9.7 percent of this figure.

(BL, 02.05.17)

• OIL & GAS •

Most Profitable PSU

Indian Oil Corporation (IOC) has overtaken Oil and Natural Gas Corporation (ONGC) to become India's most profitable state-owned company. IOC, which has for decades been India's biggest company by turnover, posted a 70 percent jump in net profit to ₹19,106.40 crore in the financial year (FY) ending March 31, 2017.

This was more than the ₹17,900 crore net profit ONGC posted in the 2016-17 fiscal, making IOC the most profitable PSU, according to earning statements of the companies.

Mukesh Ambani-led Reliance Industries retained the crown of being India's most profitable company for the third year in a row, posting a net ₹29,901 crore in FY2016-17.

(ToI, 28.05.17)

Petrol@ your Doorstep

India is considering a plan for home delivery of petroleum products to consumers if they make a pre-booking to cut long queues at fuel stations.

About 350 million people come to fuel stations every day. Annually, ₹2,500 crore (US$387.00mn) worth of transactions takes place at fuel stations.

India, the world's third biggest oil consumer, will be introducing daily price revision of petrol and diesel in five cities from May 01, 2017 ahead of a nation-wide roll-out of the plan. It said this move will enable customers to avoid long queues at petrol pumps.

(ET. 21.04.17)

Auction of ONGC Fields

The government will formulate a bold new policy this year to bring private capital and technology to substantially increase crude oil production in major oilfields, such as Mumbai High that were given to state-run firms Oil and Natural Gas Corporation (ONGC) and Oil India Ltd. without an auction or a production sharing contract.

The new policy, in which private companies can bid for Enhanced Oil Recovery (EOR) contracts in line with best global practices, will be announced in the current fiscal year.

That is a major departure from the past practice of government scrutinising the activity of only those fields that were auctioned after the sector was opened up for private investment in the 1990s. *(ET, 31.05.17)*

Losing Self-sufficiency

India's petroleum self-sufficiency fell to 17.9 percent of the total consumption in the last financial year – lowest since 2011, according to data available with Petroleum Planning and Analysis Cell (PPAC).

Self-sufficiency percentage is calculated using the total production from indigenous crude and condensate and the total petroleum consumption of the country.

The PPAC report said, "Total crude oil processed in April 2017 was 20 million tonne, a marginal decrease of 0.8 percent over April 2016. There was a decrease of 4.5 percent in indigenous crude oil processed over April 2016". *(BS, 24.05.17)*

Daily Price Revision

The latest price cut by ₹2 a litre for petrol and diesel has narrowed the difference between the markets where rates are being revised every day and those where it is being done fortnightly. The auto fuels are currently cheaper by ₹2 per litre for customers across the country after the revision.

This revision has not wiped out the price difference in regions where the daily fuel price revision is being implemented.

Since the price of petrol and diesel was revised every day in the five pilot cities, it became cheaper by ₹1.50 a litre to ₹2 almost a week before the nation-wide revision. *(BL, 17.05.17)*

Decline in Consumption

Consumption of subsidised kerosene fell by a fifth in FY17 after the centre steeply cut allocation to states following rapid expansion in cooking gas and electricity supplies.

The consumption of kerosene, mostly used by rural poor for lighting and cooking, declined to 5 million metric tonne between April 2016 and February 2017 from 6.3 million metric tonne in the same period in FY2016.

Furthermore, use of kerosene has been declining for a decade but the rate has mostly been in lower single digit. It fell 4.2 percent in FY2016.

(ET, 04.04.17)

IOC Saves ₹1,000 crore

IOC Chairman B Ashok said the given freedom allowed the companies to decide on tenders for purchase of crude oil within a very short span of time. "Earlier we used to take 36 hours to formalise a tender. This time was considered too much considering crude oil prices change every minute. This time has now been brought down to less than two hours", stated Ashok.

The flexibility given in April 2016 allowed companies to decide on buying crude oil from spot or current market on their own instead of previous practice of a committee comprising company officials and a representative of the Oil Ministry deciding that.

(ToI, 26.05.17)

• POWER •

Breather to Banks

The extension by five years for complying with the Mega Power Policy 2009 norms will reduce contingent liabilities and free up banking limits to 25 mega power projects, thus granting them a fresh lease of life, stated a report by India Ratings and Research (Ind-Ra).

According to the report, this move will also in turn free up banks' potential exposure to the power sector by around 3.50 percent or ₹4,000 crore, providing them additional headroom to lend to the power sector. *(ToI, 19.04.17)*

CESC Demerging Businesses

Kolkata-based power generation and distribution company – CESC proposed a restructuring plan to demerge all the large businesses into four separate entities – generation, distribution, retail and other businesses, which mainly include its business process outsourcing unit under a separately listed company Firstsource Solutions.

The idea behind the move is to unlock value for shareholders, provide flexibility in accessing capital and prepare a focussed strategy for sustained growth, said the management of the Sanjiv Goenka-owned company. There is no dilution and it is just a demerger. *(ET, 19.05.17)*

Coal: Main Energy Source

Coal will remain India's main energy source for the following three decades although its share will gradually fall as the country pushes renewable power generation, according to a government report seen by Reuters.

The country is the world's third-largest coal producer and the third-biggest greenhouse gas emitter. It depends on coal for about three-fifths of its energy needs and aims to double its output to 1.5 billion tonne by 2020.

By 2047, however, coal's share of India's energy mix would shrink to 42-48 percent, from about 58 percent in 2015. *(BS, 15.05.17)*

Tariff Hike of 8 Percent

The Karnataka Electricity Regulatory Commission (KERC) announced a hike of an average 8 percent in tariff for 2017-18, against the 25 percent increase the Electricity Supply Companies (ESCOMS) had sought.

http://knnindia.co.in

The average tariff increase is currently 48paise per unit, ranging from 15paise to 50paise per unit, for all categories.

The hike the ESCOMS had asked for was ₹1.48 per unit. The new tariffs, though announced late, will be applicable from April 01, 2017. In 2016, the KERC had hiked tariffs by an average 9 percent, which amounted to a 48paise average hike. *(TH, 11.04.17)*

Record Low Prices

Wholesale solar power prices have reached another record low in India, faster than analysts predicted and further undercutting the price of fossil fuel-generated power in the country.

Ensuring it generates as much of that energy as possible from renewable sources is considered crucial to limiting catastrophic global temperature increases.

At a reverse auction in Rajasthan, power companies Phelan Energy and Avaada Power each offered to charge ₹2.62 per kWh of electricity generated from solar panels they hope to build at an energy park in the desert state. *(TG, 10.05.17)*

Framing New Policies

Speaking in a State Power Ministers' conference in Delhi, Union Power Minister Piyush Goyal said the objective of the conference is to review the work done in power, coal, renewable energy and mining sectors by state governments in the last six months.

He also said a final push is needed to electrify remaining 4,141 unelectrified villages in the coming 3-4 months.

The conference intended to formulate new policies to achieve the goal of providing 24×7 power for all in the stipulated time. The conference was also held for promulgation of information technology in the distribution sector. *(FE, 04.05.17)*

Russia to Invest in Hydropower

Russia's Rosatom State Atomic Energy Corporation is holding preliminary talks with the Indian government and private companies to expand its footprint in India by venturing into the small container-based mini hydropower segment.

This will take Rosatom beyond the nuclear plant business, an official said.

The mini hydel projects it plans to bring to India will have units ranging from 0.5 to 2 MW.

The discussions were taking place through Ganz Engineering and Energetics Machinery, a 100 percent Hungarian subsidiary of the company's engineering division, Atomenergomash. *(HT, 21.06.17)*

Curbing Price Rigging

The Reserve Bank of India (RBI) is pushing banks to embrace a new code of conduct that is aimed at curbing price manipulations and minimising trades that short-change clients in the foreign exchange and bond markets.

There could be a slew of practices that the code would lay down as unacceptable. These could be buying extra and pushing up price before putting through a client's order.

Moreover, they also comprise sharing information and colluding with other institutions in the market, misselling products that are inappropriate for a client, and fixing higher than normal mark-ups in the execution of an order from a client.

(ET, 22.05.17)

Warning against Profiteering

The Finance Ministry has warned India Inc not to raise prices in anticipation of the GST indicating that such a move could invoke the anti-profiteering clause even now.

"The machinery for the anti-profiteering authority may not be ready at present, but any change in prices will be called into question", Revenue Secretary Hasmukh Adhia said.

The Centre would soon begin work on setting up an anti-profiteering agency, as proposed in the GST law to ensure that companies pass on the benefit of lower taxes to consumers.

(BL, 19.05.17)

CEA an 'Outsider-Insider'

Chief Economic Advisor (CEA) Arvind Subramanian by virtue of his background is an 'outsider' to the government whose independent advice on the economic realities is of great value to the government, Union Finance Minister Arun Jaitley said.

"The CEA is an 'outsider', who becomes an 'insider' in the Ministry. But he always retains his freedom and independence", Jaitley added.

Subramanian recently said he saw himself in the category of persons called 'insider-outsider' governed by an 'unwritten rule'. "The insider-outsider can be more truthful internally, as also on the outside, which space is not available to the babu-bureaucrat", he added. *(ET, 11.06.17)*

Five Players to Live

Vice Chairman, Uday Kotak, Kotak Mahindra Bank feels there will be strong consolidation in the financial services sector and eventually only five players will dominate the space just like in the global space.

Globally, in most countries, there are only three to five large banks, which dominate.

"This is how the future will be in our country as well", Kotak stated. He also stressed for having norms on 'bank mortality', underlining that not all the players who enter due to liberal rules can make it commercially, and should thus be given exit options.

(BL, 02.04.17)

Time to Privatise Banks

Deputy Governor Reserve of Bank of India (RBI) Viral Acharya has said that reprivatisation of some government banks may be an idea whose time has come. The idea is still very controversial.

Therefore, he framed it as a question for discussion, arguing that it would reduce the amount of capital the government would need to inject into the banks, thus preserving hard-earned fiscal discipline.

The reason why the idea of reversing a measure taken during India's supposedly socialist heyday is still so controversial is not clear.

(Mint, 02.05.17)

Flow of Black Money

An estimated US$770bn black money entered India during 2005-2014, US-based think tank Global Financial Integrity (GFI) stated in its latest report.

Nearly US$165bn illicit money exited the country during the same period, the global financial watchdog said. During 2014 alone, about US$101bn black money entered the country while US$23bn exited, the report added.

The report is the first global study to place equal emphasis on illicit outflows and inflows and states that total illicit financial outflow was 3 percent (about US$165bn) of India's total trade of US$5500.744bn between 2005 and 2014. *(TH, 03.05.17)*

Policies in Demat Form

www.livemint.com

The Insurance and Regulatory Development Authority (IRDA) is considering allowing life insurance policy holders to switch from one insurer to another without surrendering their existing policies and thus losing a portion of the premium paid.

By allowing portability, IRDA aims to save customers the cost of surrenders while changing policies if they are unsatisfied with their existing insurer.

India's life insurance sector is the biggest in the world with about 360 million policies. This number is expected to grow at an annual average of 12-15 percent over the following five years. *(Mint, 08.05.17)*

GST a Major Opportunity for Railways: Suresh Prabhu

Passengers will experience a dramatic change in speed and punctuality of Indian trains by 2020, Railway Minister Suresh Prabhu stated in an exclusive interview to Mint. Prabhu informed that investments and reforms introduced in Indian Railways have already started showing results and the national carrier has no competition from cheaper flights as the railways will remain the preferred mode of transportation for millions of people.

How do you plan to enhance train experience of passengers amid complaints of delays and slow speed?

Society has changed a lot. Everybody wants instant things and instant solutions. If we would have started investing in these 30 years ago railways would not have reached this status. We are trying to do our best by enhancing passenger facilities like introducing high-speed trains Gatimaan and Tejas, elevators, better waiting rooms, clean my coach service, etc. The Indian Railways stations look cleaner now.

People need to understand how Indian Railways is functioning. How can you run a train, undertake its maintenance and infrastructure development, run freight services also and yet traffic will not be affected. We are doing everything that is necessary for it and its first time it is being done. Once the freight corridors are completed by 2020 and the tracks would be decongested, passengers will start experiencing a dramatic change in speed and punctuality of trains.

How would you rate fiscal condition of the railways as compared to when you took over?

When we took over it was 92 (operating ratio). But, I am not going to go by that. We have prepared a roadmap for railways finances and we are going to go by that. We would have five major focus areas. By 2019-2020, we plan to complete the freight corridor, finish most of the doubling and tripling of tracks so that the capacity to handle traffic will increase exponentially.

Today, when people say why you do not get your freight back, I try to explain them the point of where is the space to run more freight trains. We will be able to get our freight back once infrastructure is in place.

Firstly, we already have changed the freight policy and it has started showing results. Secondly, on the revenue side, we are launching new products like Tejas Express, Gatimaan Express that will give us revenue. Besides, we are developing regulatory framework to ensure financial stability for railways. Thirdly, we are reducing cost of operations by getting ₹41,000 crore as savings on energy in the following 10 years. Fourthly, we are doing non-fare revenue that could fetch us ₹40,000 crore in coming 10 years. Finally, we will have savings through enterprise resource planning for which consultations are already on.

What will be GST's impact on Indian Railways?

It is definitely going to impact. GST will impact everybody. When cyclone comes nobody can say I will not be affected. It is a sweeping reform and will certainly impact railways and transport sector. How it is going to affect railways we have to study properly and try to strategise. We cannot say that GST has come and I am not going to do business. With it new opportunities will come.

I look at it as a major opportunity because global market will be created through it. Inter-state transfers will increase because of GST. Roads will have advantage on short distance while railways have an advantage on long distances. So railways can benefit for sure. However, that does not mean that railways should sit idle. We must have proper dynamic business strategy, which cannot be constant and needs to be evolving and changing.

What kind of transformation railway sector is witnessing through accounting reforms?

We are already working on Ajmer division. A lot of work is done. We cannot say anything till it is implemented all over the country. Till few days back, we did not even knew what our assets and major outcomes were. But this methodology has already started working.

Will the subsidised Udan scheme of the Aviation Ministry lure passengers away from the Indian Railways?

Indian Railways has been launching different products like Tejas Express, Gatiman Express, which have the kind of amenities passengers are looking for. The issue of decongestion can be sorted out once freight corridors are ready. I feel it would be airlines that would need to rethink their strategy as during peak hours airfares are substantially high while train fares are still nominal as compared to them. Besides, it is hassle free.

– *Edited Excerpts from an exclusive interview of Minister for Railways, Suresh Prabhu, published in* Mint *on May 25, 2017.*

Government Launches Microsite that Links Websites of Various Departments

The Ministry for Electronics and Information Technology said various weblinks or websites of the government departments will be linked to the portal, which will be available in 12 regional languages.

To make the government websites more user-friendly and make it easier for visitors to understand government programmes and updates, a new site (microsite) was launched recently – 'threeyears.mygov.in' – in which an animated character called *Prerna* would take the user through each section.

The Ministry for Electronics and Information Technology (MeitY) said various web links or websites of the government departments will also be linked to this portal, which will be available in 12 regional languages, which include: Bodo, Dogri, Kashmiri Dev, Kinkani, Maithili, Nepali, Santhali and Sindhi.

The websites linked to the portal include agricoop.in, data.gov.in, ecourts.gov.in, farmer.gov.in, passportindia.gov.in, uidai.gov.in among others.

"This microsite is a one-stop platform serving as a repository of information pertaining to the initiatives and achievements of the last three years", Ravi Shankar Prasad, Minister for Electronics and Information Technology and Law and Justice said.

Ravi Shankar Prasad, Minister for Electronics and Information Technology, said the microsite is a one-stop platform serving as a repository of information pertaining to the initiatives and achievements of the government over the last three years

Eleven Narratives

The information on the microsite is categorised in 11 narratives, such as 'Decisive and Bold Government', 'Government Empowering *Gaav* and *Garib*', 'Honest and Incorruptible Government', 'A Government That Cares', 'Government for the people, of the people, by the people', 'Brand India on the Rise', and 'Harnessing Yuva Shakti for a New India'.

Under each narrative, a user will find different sub-themes that will lead to interactive videos and infographics through *Prerna*. For instance, the 'Voice of India' section curates stories of beneficiaries of different schemes of the government through testimonial videos. A quiz on governance, similar to last year, is available under 'Quiz Whiz'.

The quiz section will have a 2,000-questions bank and every person will get a set of randomly chosen 30 questions.

"These questions are about various schemes and policies implemented by the government in last three years. These questions are about their performance, achievements and initiatives. It is an opportunity for people to learn about government scheme in an educational and entertainment format", 'MyGov' CEO Gaurav Dwivedi mentioned.

Furthermore, the 'Modi Festival' section will keep the user updated with the events across the country by the Ministry of Information and Broadcasting to disseminate the government's achievements.

Media Zone

The 'Media Zone' on the microsite would provide infographics, flyers and other downloadable materials that can be downloaded and read.

With simple activities like sharing media and referring Bharat Interface for Money (BHIM) App to more extensive tasks, such as *Swachh Bharat*, blogging and designing; citizens can earn points at every step for the following 55 days.

The 'Championship' will last until the third Anniversary of 'MyGov' on July 26, 2017. The top scorers will be featured in the leader board and will get an opportunity to be a part of many exciting events of 'MyGov', Prasad added.

– *This has been abridged from an article published in* The Hindu Business Line *on May, 29, 2017.*

No More Delaying This Flight

*Sanjaya Baru**

Even as several analysts have recommended the privatisation of Air India (AI), it has been reported that the Union government is considering disinvestment as a means of improving the finances of the so-called 'national carrier'. Swaminathan Aiyar columnist of 'The Economic Times' has very aptly suggested that the private budget airline IndiGo should, in fact, lay claim to be India's 'national carrier', given the number of destinations across the subcontinent it now connects on a commercial basis with no government subsidy.

Asked if the government was viewing disinvestment as an option, Union Minister for Civil Aviation Ashok Gajapathi Raju reportedly said, "What else would it be? We need to make AI a sustainable airline and we are holding discussions. All suggestions are welcome".

Forget disinvestment and privatisation is the way out. For many in the government, disinvestment would be an attractive option. It would mean that the airline will remain a public sector entity with all manner of officials and Ministers continuing to lord over the behemoth. However, Raju might be about wanting to make AI a 'sustainable airline', nothing short of a major restructuring – financial and organisational – and rebranding can save the airline.

Financials

Consider first the airline's financials. AI has drawn loans of close to ₹50,000 crore and the annual interest burden itself is around 10 percent of that sum and amounts to 25 percent of the airline's revenues from scheduled traffic services. No wonder the airline is already lagging behind on interest payments and runs the real risk of defaulting on these payments.

What has sustained the airline is the whopping ₹42,000 crore lifeline it was thrown in 2012 by the UPA-2 government. In addition, the airline is being sustained by the largesse of petroleum companies, the Airport Authority of India (AAI) and the shareholders of the Delhi and Mumbai airports. When they come knocking, AI will have no cash to pay up.

A four-year Turnaround Plan implemented since 2012 has not been able to address the financial problems facing AI. Analysts believe that the airline is unlikely to be able to meet its commitments under the plan.

Taken together, the airline's poor track record in financial management and commercial operations, despite sincere efforts on the part of its management, has meant that the government has been trying desperately to breathe life into a dead body. The government's plan to inject more funds, raised through disinvestment, will come to nought. In fact, even the disinvestment effort may well not take off. Who would want to hold the shares of an unreconstructed entity?

http://www.businesstoday.in

To ensure that commercially unviable airports remain operational, the government can provide subsidy to any airline willing to service such airports, especially those of strategic importance.

Unviable Airline

The time has come to face the hard fact that successive governments have helped kill the national carrier. However, there is no point in either crying over spilt milk or playing the blame game trying to figure out who killed AI. It is time the government opted out of civil aviation and sold AI to the highest bidder.

The healthy growth of private air lines, and the fact that at least some of them like Indigo provide connectivity to distant airports, has meant that a privatised AI will operate in a competitive environment. To ensure that commercially unviable airports remain operational, the government can provide subsidy to any airline willing to service such airports, especially those of strategic importance.

The initiative to privatise AI will have to come from the very top of the government i.e. within the Civil Aviation Ministry, within the government, as a whole. Moreover, within Parliament, there are far too many vested interests who will oppose the move.

For far too long have far too many functionaries of the State benefitted from the privileges extended by a government airline. They will oppose privatisation in the name of 'national interest' or workers' privileges while seeking to defend their own.

70 years after Independence and 20 years after the opening up of civil aviation to private airlines, the time is ripe for the government to get out of the business of flying the top 5 percent of Indians around India and the world in the name of national interest.

PS. The Cabinet has given in-principle opproval to privatise Air India (ToI, 29.06.17)

* *Honorary Senior Fellow, Centre for Policy Research. This article was published in* The Economic Times *on May 22, 2017.*

BS-III Ban Causing Loss

Commercial vehicle makers might spend ₹2,500 crore and two-wheeler makers ₹600 crore in unsold inventory and discounts on BS-III vehicles, states rating agency Crisil. It estimates that dealers' inventory at risk was 97,000 commercial vehicles valued at ₹11,600 crore.

www.business-standard.com

Manufacturers were offering discounts of 20-40 percent on the sticker price to sell BS-III vehicles before March 31, 2017. The additional discounts are estimated at ₹1,200 crore.

The unsold BS-III commercial vehicle inventory will entail another ₹1,300 crore. Manufacturers are likely to upgrade their unsold BS-III inventory, dismantle vehicles for spares and hold some inventory for exports. *(BS, 03.04.17)*

Economic Growth of 7.4 Percent

India's economic growth is set to accelerate in the current financial year to 7.4 percent from an estimated 7.1 percent that ended in March 31, 2017. The public sector will remain the key driver of investment as banks and exports are forecast to grow by 6 percent in the coming year.

Asian Development Bank (ADB) projected inflation to accelerate to 5.2 percent in 2017-18 and 5.4 percent in 2018-19 as the global economy recovers and the commodity prices to rebound.

Moreover, Madan Sabhnavis Chief Economist at Care Ratings Limited expects Gross Domestic Product (GDP) to grow 7.6 percent in 2017-18. *(Mint, 07.04.17)*

Well-designed Framework

As per Automotive Mission Plan (AMP) 2016-2026, India envisages being among the world's top three in engineering, manufacturing and export of vehicles and components making the industry grow in value to over 12 percent of India's GDP and generate additional 65 million jobs.

Continued investment and access to technology are key to meeting the AMP 2026 objectives. Towards that, the government must lay out a clear roadmap for the industry that covers fuels including biofuels; fuel efficiency and emission standards; safety, vehicle testing and certification requirements and methodologies; electric and hybrid cars; autonomous vehicles; etc. *(FE, 02.06.17)*

Fastest Agri-Growth Rate

Madhya Pradesh has witnessed the fastest agricultural growth rate with the government taking certain initiatives like expansion of irrigation networks, strong wheat procurement system, and building of all-weather roads for connecting farmers to the markets.

Irrigation covers through tube-wells via MP government strategy of initially focussing on good quality power supply to farmers during wheat sowing season.

Indian Council for Research on International Economic Relations (ICRIER) report states that acreage under wheat increased from 3.5 million hectare (mh) in 2002-03 crop year (July-June) to 5.6 million hectare (mh) 2014-15, while acreage under soya rose from 4.4 mh to 6.0 mh. *(FE, 01.05.17)*

High Rate of Failure

India is booming with young entrepreneurs and start-ups but more than 90 percent of start-ups in the country fail, according to a IBM study done to understand the rapidly evolving India start-up ecosystem and its effects on the wider economy.

Besides, lack of innovation, non-availability of skilled workforce and insufficient funding were found to be main reasons for the high rate of failure.

About 70 percent of the venture capitalists believe that talent acquisition is one of the biggest challenges faced by Indian start-ups, and limited availability of necessary skills impedes growth. *(BL. 17.05.17)*

Govt. Scales up Budget Target

The government has managed to scale its budget target for disinvestment and closed the financial year (2016-17) with record receipts of ₹46,247 crore, compared with the revised estimate of ₹45,500 crore after it deployed all tools at its disposal. This is by far a record year for disinvestment, surpassing the 2014-15 level of ₹24,277 crore.

This year's disinvestment receipts also include ₹530 crore from sale of shares to employees of six public sector companies – Indian Oil, NTPC, Engineer's India Ltd., NHPC, DCIL and Concor – after the government managed to get Securities and Exchange Board of India (SEBI) to tweak rules to make the issues more attractive. *(ToI, 01.04.17)*

Vital Role in Growth

As one of the globalised sectors of domestic industry, the plastic industry's paramount role in meeting the development challenges is widely acknowledged.

The industry has helped improve the quality of life of the masses by providing cost-effective products and vital inputs to all key sectors of the economy.

"One of the advantages of plastic is that it allows unit packaging at low prices thereby pushing the growth of the Fast Moving Consumer Goods (FMCG) industry. It accounts for more than 50 percent of food products packaging materials used because it offers convenience and better shelf life. *(ToI, 26.06.17)*

Record FDI, Start-up Push Result of Big, Brave Reforms: Nirmala Sitharaman

The Goods and Services Tax (GST) regime will make Indian exporters more competitive, as the cascading effects of existing indirect taxes will be curbed and input tax credit facility will be available, according to Commerce and Industry Minister Nirmala Sitharaman.

The GST regime will make Indian exporters more competitive, as the cascading effects of existing indirect taxes will be curbed and input tax credit facility will be available, according to Commerce and Industry Minister Nirmala Sitharaman.

The GST council has decided to provide 90 percent of duty refunds within a week of acknowledging an exporter's application, acceding to the persistent demand of the Commerce Ministry to soften the blow for exporters, most of whom are running small and medium enterprises, she said addressing reporters to outline achievements of her Ministry in the past three years.

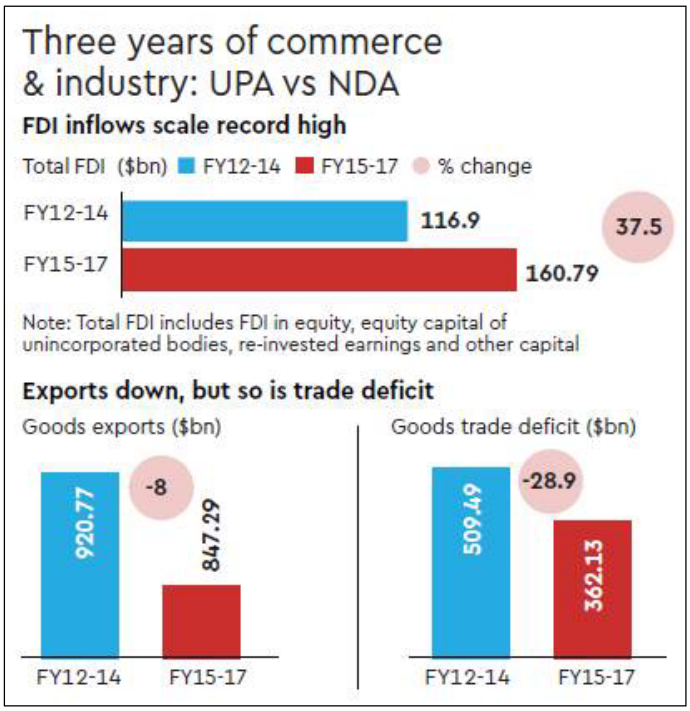
The GST Council decided that the acknowledgment of exporters' applications for duty refunds will be done in just three days, compared with 15 days for many others. So in a short span of 10 days of applying for duty refunds, exporters will get back 90 percent of the amount. Currently, tax refund claims typically take 6-8 months to be processed (although they have been expedited in recent months), blocking the capital of an exporter.

The GST system mandates that all duties must be paid at the time of a transaction, and refunds for these can be obtained after exports. The GST council is also committed to the principle that exports should be tax free.

Speaking about achievements since coming to power, Sitharaman said Foreign Direct Investment (FDI) has witnessed tremendous growth in recent years – 25 percent in 2014-15, 23 percent in 2015-16 and 8 percent in the last fiscal. Total FDI inflows touched a record US$60.08bn in the last fiscal.

Asked if the government was planning any big-ticket reforms in the FDI space, the Minister said the government has already announced many such reforms in FDI, which has squeezed the scope for further big-bang reforms in this space. Still, it will keep on working towards such reforms, she added. "I do not want to look at (future) reforms as big-ticket or not. But the government has shown how reforms can be brave, well-thought of and futuristic".

The government has already announced two big rounds of relaxations in the FDI regime, first in November 2015 and then in June 2016, easing rules in over a dozen sectors, ranging from real estate, pharmaceuticals, food marketing, aviation, defence to e-commerce and banking. Currently, it is learnt to be considering further easing of sectors, such as construction, food retail and retail to woo FDI.



– *This has been abridged from an article published in* The Financial Express *on May 21, 2017.*

Citizens' Sanitation Verdict

Swachh Survekshan-2017, the cleanliness survey commissioned by the Union Urban Development Ministry during January-February and carried out by the Quality Council of India across 434 cities took into account criteria and weighted score for different components of sanitation-related aspects.

Urban Development Minister M Venkaiah Naidu said, "I am particularly happy over the fact that over 80 percent of the respondents reported a definite improvement in cleanliness in our cities and towns over the past year and in sanitation-related infrastructure and services like waste collection and processing".

(TH, 05.05.17)

India: No.1 FDI Recipient

India retained its numero uno position as the world's top most greenfield FDI investment destination for the second consecutive year, attracting US$62.3bn in 2016, states a report.

In 2016, it continued to rise worldwide, with capital investment increasing by more than 6 percent to US$776.2bn, its highest since 2011, alongside an increase in job creation by 5 percent to 2 million.

China has overtaken the US to become the second biggest country for FDI by capital investment, recording US$59bn of announced FDI, compared with US$48bn-worth in the US. *(ToI, 26.05.17)*

Rise in Patent Grants

The easing of the procedures for appraisal/grant of intellectual property rights (IPRs), announced in May 2016, has resulted in far quicker disposal of applications and reduced the backlog substantially.

In the first 10 months of this fiscal, up to 18,923 patent applications have been disposed of, up 52 percent from the corresponding period last year, while the disposal of trademark filings witnessed a whopping 248 percent jump. *(FE, 03.03.17)*

India in Asian Economies

India stands in the middle of the Asian pack in the manufacturing Purchasing Managers' Index (PMI) league tables for May. China's reading is below 50, which means the manufacturing sector has contracted from the previous month.

Other than that Nikkei India Manufacturing PMI is at a three-month low and so is the New Orders Index. That suggests a recovery from the demonetisation-induced slump in manufacturing is taking time and is unlikely to be V-shaped.

(Mint, 02.06.17)

People Multiply Wealth

As per the New World Wealth report India has been ranked among the 10 wealthiest countries globally with total individual wealth of US$5,200bn, but this is largely owing to its large population. However, on a per capita basis, the average Indian is 'quite poor'.

India has been ranked 7th in the list of top 10 wealthiest countries in the world, which was topped by the US with total individual wealth of US$48,700bn.

"China was the fastest growing W10 country over the past 15 years (2000-2015). Australia and India also grew strongly", it said. Moreover, India has overtaken Italy this past year. Australia and Canada are expected to overtake Italy in the following couple of years. *(BL, 31.05.17)*

Rise and Fall of *Swachh* Cities

Why did some cities rise and others fall in the *Swachh Survekshan*-2017 ranking? The ranking was heavily influenced by 'public feedback' score and not only the 'independent observation' score.

Movers and shakers

Cities	Rank	
	2017*	2016^
Indore	1	25
Gandhinagar	20	42
Bhopal	2	19
Rajkot	18	7
Chandigarh	11	2
Mysuru	5	1

*ONLY TOP 20 CITIES IN 2017 SURVEY (435 CITIES) CONSIDERED FOR COMPARISON OF 73 CITIES SURVEYED

Indore got to the top spot among all the entries due to a "mega public movement and wholehearted people's participation", said Lok Sabha Speaker Sumitra Mahajan.

Tirupati also made an entry at number nine into the national top 10, also bet on Well-being out of Waste (WoW), increasing door-to-door waste collection, waste segregation, placing litter bins at commercial complexes and using GPS-fitted dumpers, besides starting a biogas plant. *(TH, 05.05.17)*

Higher Water Level

With exception of 31 reservoirs in southern states where the water table has plummeted to 8 percent of their capacities, overall water tables in key reservoirs across the country have been at 21 percent of their capacities.

Due to normal rainfall last year, the country's foodgrain production in the 2016-17 crop year (July-June) is estimated to reach an all-time record of 273.38 million tonne, which is 8.7 percent more than the previous year.

(FE, 01.06.17)

62,000 Tonne Foodgrains Wasted by FCI

In 2016-17 (up to March 01), a damage of 8,679 tonne of foodgrains was reported, with Maharashtra topping the list of states with 7,963 tonne. There are various reasons for the damage of foodgrains, including pest attacks, leakages in godowns, procurement of poor quality stocks, exposure to rains, floods, and negligence on the part of the persons concerned in taking precautionary measures.

While India ranks 55th in the Global Hunger Index (GHI), an Right to Information (RTI) reply has revealed that around 62,000 tonne of foodgrains, mainly rice and wheat have been damaged in the godowns of the Food Corporation of India (FCI) in the last six years with Maharashtra topping the list of states.

Every year, crores of Indian rupees are spent to prevent decay and then again a whooping sum is spent to dispose of the piled up wastes.

The RTI reply given by the Ministry of Consumer Affairs, Food & Public Distribution has pegged the damaged foodgrains grains to 61,824 tonne between 2011-12 and 2016-17.

The FCI has 1,889 warehouses across the country. Many of them located in Madhya Pradesh, Bihar, Jharkhand, Haryana, Himachal Pradesh, Jammu and Kashmir, Uttarakhand, Arunachal Pradesh and Manipur did not report any damages.

According to an estimate, the wasted grains could have fed 8 lakh poor people under the National Food Security Act for an entire year.

In 2016-17 (up to March 01), a damage of 8,679 tonne of foodgrains was reported, with Maharashtra topping the list of states with 7,963 tonne. Sources said there are various reasons for the damage of foodgrains, including pest attacks, leakages in godowns, procurement of poor quality stocks, exposure to rains, floods, and negligence on the part of the persons concerned in taking precautionary measures.

Accordingly, the FCI plans to sell from its various depots, damaged foodgrains (mainly wheat and rice) unfit for human consumption as manure, feed for animals and for industrial purposes.

As per a survey by the Indian Institute of Management, Kolkata, only 10 percent foods get cold storage facility in India.

The possible causes of this great damage are identified as following:

- Lack of storage space has been identified as one of the main problems for this wastage.
- In states like Punjab, pilferage is reported to be one of the major causes.
- At times, procured wheat stored in various state government-owned godowns is stolen.
- Sometimes, offenders trickle water on the wheat sacks so they become heavier.

– *This has been abridged from an article published in* **dna** *on May 22, 2017*

Independent Directors Not Independent: SEBI Chief

Expressing concern over independent Directors and audit Committees not performing their roles satisfactorily, Securities and Exchange Board of India (SEBI) Chairman Ajay Tyagi said that it was surprising when independent Directors resign from a company's board citing innocuous personal reasons and not pointing out the real problems that the company might be facing.

'Auditors' committee is not working, independent directors are not independent and there is no stewardship code, then definitely there are serious issues… This a serious issue which is engaging the attention of SEBI. We will come out with more discussion soon", he said while speaking at Confederation of Indian Industry's (CII's) annual meeting.

Tyagi said corporate governance norms for market intermediaries should be much stronger than for listed companies. He also made a case for higher voting by institutional investors during board resolutions, rather than these entities behaving as passive investors.

Tyagi's comments assume significance in the backdrop of the recent boardroom battle at the Tata group and the controversy regarding the differences between some promoters and the top management at Infosys.

Emphasising that Corporate Governance is a serious issue that is engaging the attention of SEBI, Ajay Tyagi said the regulator would come out with more discussions on it soon

In January, SEBI had issued a 'guidance note' on board evaluation at listed firms. It emphasised that the role and function of chairperson in board evaluation needs to be laid out clearly in advance in order to achieve maximum benefit of the process.

SEBI is also planning more reforms in the mutual fund industry, trying to cut the listing time during initial public offers (IPOs) and working to ensure that all forms of registration for the 21 market intermediaries are done only by July, he said. With the BSE Sensex crossing the 30,000-mark, Tyagi said the boom in Indian equities markets is based on strong economic fundamentals.

"This is on the basis of strong macro fundamentals… in terms of Gross Domestic Product (GDP) growth, in terms of inflation control, fiscal deficit, current account deficit (CAD) control and commodity prices (being) low. It is based on strong fundamentals…it is not that much of bubble effect but something based on strong fundamentals", he added.

On the upcoming initial public offer of the National Stock Exchange (NSE) , he said this is likely to take a few more months as co-location issues need to be sorted out. NSE, which filed its draft papers with SEBI in December to rise over ₹10,000 crore, is awaited for the regulator's go-ahead.

"They (NSE) have come to conclusion and rightly so… that co-location issue needs to be sorted out before they go for IPO that will take some time… a few months. It (IPO) could be a few months (away), it is not happening immediately", Tyagi mentioned.

Co-location in market parlance refers to brokers locating their servers on the premises of the exchange. This reduces the time for an order and provides speed advantage over those who are farther away from the premises.

The bourse is facing regulatory scrutiny for allegedly providing preferential access to some entities with respect to co-location facilities. Following complaints about co-location facility of the exchange, a SEBI-appointed committee had initiated an examination and found instances of breach of fair access norms by the exchange.

– *This has been abridged from an article published in* The Economics Times *on April 29, 2017.*

States to Get Greater Say in New National Planning Regime

At NITI Aayog meeting, PM Narendra Modi vows to address growth imbalance, asks states to take lead in move to a January to December fiscal year

Gireesh Chandra Prasad*

Prime Minister Narendra Modi and state Chief Ministers considered a new approach in policy planning that aims to give states a greater say in determining national priorities – including in internal security and defence – set out in a 15-year vision and a draft three-year short-term action plan ending 2019-20.

The vision document and the draft 300-point action plan prepared with suggestions from states and *gram sabhas* rest upon the spirit of cooperative federalism that succeeds the Nehruvian era's centralised five-year planning that drew to a close on March 31, 2017 with the end of the 12th Five Year Plan. The vision document projects the economy to grow more than three-fold to ₹469 lakh crore by 2031-32, from ₹137 lakh crore in 2015-16, assuming an 8 percent annual growth.

Niti *Aayog* is a collaborative federal body whose strength is in its ideas, rather than in administrative or financial control", an official statement quoted Modi as saying in his opening remarks to the think tank.

The Prime Minister also suggested that states should take the lead in changing the financial year to January-December and 'carry forward the debate and discussion on simultaneous elections'.

The short-term action plan coincides with the remaining three years of the 14th Finance Commission's award period ending in 2019-20 as it gives certainty on the cash flow of central and state governments for the period.

Shaping the country's development plan with state governments consolidates the resetting of centre-state relations under the cooperative federalism achieved through higher untied fund allocation to states from the centre's divisible pool of taxes (without specifying end-use) and the setting up of the GST Council, in which neither the Union nor the state governments can take decisions without the support of the other.

GST reflects the spirit of 'one nation, one aspiration, one determination', Modi said. He said that the share of central funds to states that are tied to specific central projects have come down from 40 percent of total allocation in 2014-15 to 25 percent in 2016-17 with a corresponding increase in funds which are not linked to specific schemes, giving states greater freedom in their utilisation.

The meeting also reviewed Niti *Aayog's* move to encourage states to excel in various governance parameters by comparing performance. Experts welcomed the move to foster competition among states.

"Competitive federalism is a very good strategy. Comparing states on 'Ease of doing Business' is a good first step. Now states must be compared on the pace at which they are creating jobs and livelihoods, improving health and education for citizens, and developing local governance capabilities", said Arun Maira, former member of the Planning Commission.

www.livemint.com

Modi stated it was the collective responsibility of the gathering to envision the India of 2022 – the 75th Anniversary of independence – and see how the country could swiftly move forward the goals set in the vision document.

The Prime Minister conveyed to the states that advancing of the Union budget date to 01 February in 2017 from the customary last day of the month was meant to make funds available for various schemes, so that they could be utilised in time, especially for farming before the monsoon arrived.

Niti *Aayog* tweeted that the long-term national development agenda up to 2031-32 extend the traditional plan mandate to include internal security and defence. By 2031-32, the country should be "highly educated, healthy, secure, corruption-free, energy abundant, environmentally-friendly and globally influential", it said.

Niti *Aayog* Vice Chairman Arvind Panagariya said that the action plan assesses the revenue available to the union and state governments over the coming three years to suggest enhanced spending on priority areas like health, infrastructure, agriculture and rural economy.

The governing body also reviewed the progress in drafting a Regulatory Reform Bill, a model Agriculture Land Leasing Act, changes to the Agricultural Produce Marketing Committee Act, a National Energy Policy and strategic disinvestment of state-owned enterprises.

* *Energy Editor at Mint. This has been abridged from an article published on April 24, 2017*

Right to Recall Legislators

Lack of adequate oversight mechanism often leads to underperformance of elected representatives. Therefore, the 'right to recall' needs to be introduced, which keeps a check on the overambitious actions of the elected members. However, proper safeguards like initial recall petition, electronic based voting system are necessary to decide its outcome.

Furthermore, there should be a certain predetermined margin for recalling the representative, which will represent the majority opinion of the people. Chief election officers from within the Election Commission should be designated to supervise and execute the process.

(BL, 05.04.17)

Loan Waiver for Farmers Cleared

The Uttar Pradesh government in its first Cabinet meeting cleared a loan waiver proposal of ₹36, 359 crore that would provide relieve to 2.15 crore small and marginal farmers from financial burden.

In an another stint, the Madras High Court directed the State government to extend the farm loan waiver scheme to include farmers who own more than five acres of land. The court held that excluding the farmers owning more than 5 acre of land is a clear case of discrimination violating Article 14 of the Indian Constitution. *(BL, 04.04.17)*

Launch of *Swachh Abhiyan* 2.0

The government will launch the second phase of cleanliness mission from the historic Champaran, Bihar, where Mahatma Gandhi to celebrate the centenary movement of *Satyagraha Movement*. The event is also likely to convey how Modi government is dedicated towards betterment of villagers and farmers.

According to sources in the Prime Minister Office, this event is not just about cleanliness but also about political clean up. It is expected to be a recreation of the historic event of 1917. *(DNA, 09.04.17)*

Promises Not Fulfilled

Chief Justice of India J S Khehar criticised the political parties for failing to deliver on the promises made during the 2014 election campaigns. Khehar observed that religion and caste issues instead of being topic of social reforms has been converted into a tool for political advertisement.

Unfortunately, the Indian legal system lacks any appropriate means of consequences to be suffered by the political parties in case the promises are not met.

He also discussed about the poor condition of the *dalits*, scheduled castes and scheduled tribes, women and children and stressed on the synergy between social, economic and political measures with ground realities.

(DNA, 09.04.17)

NLUP Funds Misused

Funds amounting to ₹1.65 crore under the New Land Use Policy (NLUP), the flagship programme of the present Congress government in Mizoram, was diverted for sending 15 students to Japan, according to the recent report of the Comptroller and Auditor General of India (CAG) presented in the assembly.

The CAG report stated that the Secretary for Labour, Employment and Industrial Training, in January 2016, had requested the Secretary of NLUP Implementing Board (NIB) to extend a temporary loan of ₹1.65 crore for giving assistance to 15 students who would be provided placement-linked skill training in Koroko College, Nagasaki, Japan through the North Eastern Educational Consultants, Mizoram. *(ToI, 01.06.17)*

CAG Finds Lapses

The CAG has found lapses in the functioning of part of several departments, including Adi Dravidar Welfare and Drug Control besides the industrial promotion body Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC).

CAG stated as many as 57 ineligible beneficiaries were alloted dwelling units under the housing scheme for Scheduled Caste and economically backward classes by the Adi Dravidar Welfare Department.

The department failed to finalise the beneficiaries list timely and the selection of beneficiaries was handled unprofessionally leading to non-allotment of houses to eligible beneficiaries. *(DNA, 02.06.17)*

Hiding Dengue Figures

Dengue figures in Delhi may have been grossly under-reported, according to an analysis. Delhi's all three civic bodies have often been accused of under-reporting dengue cases to escape action.

The official figure for the last six months is 54, while data of the past three weeks from three hospitals alone puts the number at 50. The number of government hospitals in Delhi is 38. There are about 700 nursing homes as well.

(DNA, 28.06.17)

Rajya Sabha Members Should Resign if They Have Any Pride: Moily

A Money Bill can be introduced only in the Lok Sabha. Once passed, it is sent to the Rajya Sabha, which can make recommendations but cannot reject or amend the Bill and must return it within 14 days. The Lok Sabha may choose to accept or reject the recommendations. If the Rajya Sabha fails to return the Bill within 14 days, it is deemed passed by both the Houses

The Indian Congress leader M Veerappa Moily conveyed to the Lok Sabha that all Rajya Sabha members should resign if they had 'any pride left' as he accused the government of bypassing the Upper House by bringing GST legislation as Money Bill.

Moily recalled that the Rajya Sabha had been designated the role of 'Council of States' in the Constitution and said the Narendra Modi government was assaulting the federal system by denying the House its right to legislate. He contended that Finance Minister Arun Jaitley, a member of the Rajya Sabha, was denying himself his own right.

"What is the point in having the Council of States if they do not have a voice against this assault on the federal system in the country? According to me, if they (RS members) have some pride left, they should all resign", Moily said.

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The Opposition has often accused the government of bulldozing important legislation by using the Money Bill route to bypass the Rajya Sabha. Unofficially, the government has claimed that the Opposition's obstructionist attitude has forced it to bring many key Bills as Money Bills. The government is in a minority in the Upper House.

Moily said the government may have an absolute majority in the Lok Sabha but could not deprive the Rajya Sabha of its rights. He said 'avoiding' the Rajya Sabha went against Jaitley's statements that states' participation would be ensured in GST-related decisions. It (bypassing of the Rajya Sabha) is, perhaps, the biggest theft in federal finances.

Moily also alleged that the GST Bills compromised the independence of the legislature. The wording of the Bills appear to suggest that only the GST Council and the Centre matter, he said, adding a notification could be issued by the Union government merely on the recommendation of the council.

"This is fundamental contradiction, as envisaged in the Indian Constitution. The Centre can issue an order, a mandate, or a diktat. They have the right to do that...without any kind of discussion, put any kind of tax. Why do you (members) sit here (in Parliament)?" Moily said.

The former Law Minister said he wished the judiciary had intervened to protect the independence of the legislature. "I am not criticising the judiciary. When it comes to judicial independence, they stand up and claim we have to protect it. Is it not the duty of the judiciary to protect legislative independence?"

These comments were also relevant to the fact that the not so recent annual Finance Bill was released as a 'Money Bill' – unlike regular legislation, and did not need the approval of the upper house of India's Parliament. It only needed the lower house to pass it. Here are just a few things that the new Bill does.

It will allow Indian companies to donate as much money as they like to political parties, by removing a cap linked to net profits that has been in force for years. Voters would not have a chance to examine which company is giving money to which politician; all donations will henceforth be anonymous. An earlier requirement that a company officially declare its political contributions has been erased.

Currently, Modi's party has a majority in the lower house, but not in the upper. By tacking these changes onto a Money Bill, the government has ensured that they have been signed into law by Modi's party men in just one house.

Opposition parties have generally objected to the government making a series of amendments to the current Finance Bill, which is a Money Bill, and, when passed, converts the annual budget into law. These amendments will apparently change 40 other laws.

– *This has been abridged from an article published in* The Hindu Business Line *on March 29, 2017*

Constructive Criticism Good

India's Prime Minister **Narendra Modi** said in his monthly radio address that he welcomes constructive criticism, which also strengthens the country's democracy.

He said, "I am very happy people are evaluating our work in great detail. The government has to be answerable to the people...".

This statement is a measure of the government's self-confidence, according to political analyst Jai Mrug. "The government is confident of itself and they are sure that it will do well electorally and so it is opening itself for a more informed debate and also to constructive criticism", he added. *(Mint, 29.05.17)*

Poverty – A Big Challenge

India has made significant economic progress during the last few years but removing poverty is a challenge as building prosperity is a marathon and may take decades, famous economist **Michael Porter** said. "The country is making good progress on macro-economic policy front despite challenging global context...But building prosperity is a marathon", he said.

In reference to jobless growth in India, Porter said, "India has a big issue related to workforce participation. Businesses can create wealth. The government cannot create wealth...We cannot antagonise business and create prosperity". *(ToI, 26.05.17)*

Temptation-free Power

Politicians should shun the normal temptation of having more and more power and divest themselves of it, Finance Minister **Arun Jaitley** said.

He said that one of earliest policy decisions taken by the government was to eliminate any scope of discretion and to govern effectively, governance must have a high value of credibility itself.

"Eliminate all discretions, which even with the best of intentions in the past, has brought discredit to governments and let an objective criterion, a market mechanism decide, take various decisions", he added. *(FE, 26.05.17)*

Tax on Rich Farmers' Fair

Former RBI Governor **Bimal Jalan** favoured taxing rich farmers earning above a certain threshold, without hurting the interests of those with small farms. He also pitched for a rating upgrade for India due to a number of steps taken by the government.

Talking about the controversial issue of taxing farm income, Jalan noted the importance of agriculture and small farms in the Indian situation and added that a very large proportion of the population has small farms and nothing should be done that can hurt them.

(BS, 22.05.17)

Single Higher Education Regulator

University Grants Commission (UGC) and All India Council of Technical Education (AICTE) are soon going to be replaced with a single higher education regulator. The proposed Higher Education Empowerment Regulation Agency (HEERA) is aimed at eliminating overlaps in jurisdiction and remove irrelevant regulatory provisions.

The Human Resource Development (HRD) Ministry is working with Niti *Ayog* on the plan of bringing technical as well as non-technical institutions under the same umbrella.

(IT, 06.06.17)

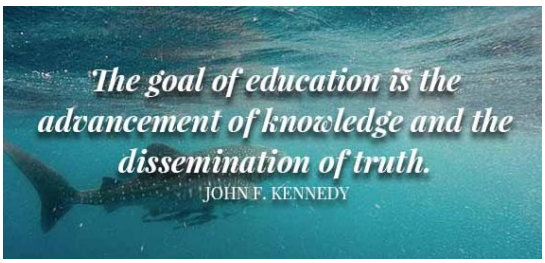
Cabinet Nod Awaited for Institutes of Eminence

India has taken a firm step towards building 20 world-class educational institutions, which will be termed Institutions of Eminence, with the HRD Ministry moving the proposal to the Union Cabinet for approval.

Firmly bearing the stamp of the Prime Minister's Office, this is a new framework to catapult Indian institutions to global recognition by freeing the best of them from the UGC's restrictive regulatory regime and ushering in an unprecedented level of institutional autonomy. *(ET, 22.05.17)*

Impact of Fee Cap

After the implementation of the Gujarat Self-financed Schools (Regulation of Fees) Bill, 2017, fees of several schools are likely to be reduced. Education experts indicate that the direct impact of the reduction is likely to be on the quality of education as schools' budgets might shrink.



The experts suggested that schools will first start cutting extra-curricular activities and some facilities. School authorities mentioned that expenditure will only increase with the implementation of the Seventh Pay Commission and the need to maintain the mandated student-teacher ratio. *(ToI, 10.04.17)*

Health Never Prioritised

Health has never been a national priority and it is one reason why we have the highest number of women dying during childbirth and under-five mortality rates, former Union Health Secretary K Sujatha Rao opined in her book.

Rao mentioned that with the level of under-funding for health and crowding in of ambitious targets, India will not meet the National Health Policy 2017 targets. This indicates an absence of prioritisation. "Our public health systems are too weak to fulfil the many demands being placed on it", she added. *(BS, 15.04.17)*

Cuts to Benefits Condemned

Campaigners have warned that the lives of mothers and children are at risk after an Indian government scheme that pays women to receive maternal healthcare throughout their pregnancy was amended to apply only to first-borns.

The programme was introduced in 2010 to help stem India's high rates of infant and maternal mortality. The scheme, originally applied to a mother's first two children, with another programme offering an additional ₹1,400 for every child born in a medical setting but was changed and restricted to first-born children only. *(TG, 30.05.17)*

Concern over Rising Costs

The recently approved National Health Policy 2017 covers government healthcare providers while seeking to plug gaps in public infrastructure with the help of private healthcare entities.

The last such national policy was rolled out in 2002. In India, health is a state subject, even though state governments hardly have resources to invest.

As a result, the private sector has become the dominant service provider, leading to widening inequity in access. With poor public expenditure, out-of-pocket expenses on health in India are among the highest in the world. *(ET, 08.05.17)*

Focus on Universal Wellness

The new National Healthcare Policy 2017 launched by Union Minister of Health and Family Welfare J P Nadda has its main focus on bringing comprehensive universal wellness.

However, a survey revealed that 82 percent Indian citizens want government to come out with proper regulations on private hospitals.


https://static.pexels.com

Nearly 85 percent citizen who said that they preferred private healthcare services compared to just 9 percent opting for government services. Given this background, 42 percent said that they do not trust the healthcare system and an equal 42 percent were concerned about rising hospitals costs. *(ZB, 10.05.17)*

Checking Cost for Poor

The health sector saw major initiatives to cap prices of essential medicines through price control, coupled with initiatives for expansion of cheaper drug dispensaries in the past three years.

Official data shows prices of essential medicines have come down by 50 percent in the past three years. Price control played a major role in enhancing savings on medicines, which constitute at least 40 percent of a household's expenditure on health.

Both Health Ministry and Drug Price Regulator National Pharmaceutical Pricing Authority (NPPA) worked to cap prices of essential medicines. *(ToI, 24.05.17)*

PAC Pulls up ESIC

The Employees State Insurance Corporation (ESIC), under the Ministry of Labour, has been pulled up by the Public Accounts Committee (PAC) for delays in almost all 21 medical education projects, leading to cost overruns of ₹3,385.21 crore.

All the medical education projects taken up were behind schedule, except for two projects at Rohini (Delhi) and Ayanavaram (Chennai).

Extensions ranging from one year and two months to four years and nine months were granted to these projects", said the 67th report of the PAC on the performance audit of ESIC. *(BL, 04.04.17)*

Medical Tourism Policy

The Centre is planning to launch a wellness and medical tourism policy on 'International Yoga Day' on June 21, 2017 to tap the huge potential of the sector as mentioned by Tourism Minister Mahesh Sharma.

According to Sharma, India can become a hub of wellness and medical tourism and his Ministry is working in that direction. He said a web portal would also be launched, which will have the names of the institutions and the services they offer and the rates they charge to make the system transparent. *(DNA, 07.04.17)*

A Chill Pill that India Needs

D G Shah*

The domestic pharmaceutical sector witnessed a compound annual growth rate of 12 percent during 2012-16. It registered its highest growth of 15 percent in 2015. However, since then, it is on the decline for two consecutive periods: to 11 percent for 2016 and further to 9 percent ending in February 2017. Not only should this be a matter of concern for the government, but it should also worry those working for access to safe, effective and quality medicines at affordable prices for the people of India and other developing countries.

The decline in rate of growth can be directly linked to the arbitrary implementation of pricing policy by the National Pharmaceutical Pricing Authority (NPPA) and certain policy initiatives of the Central Drugs Standard Control Organisation (CDSCO). Unless corrected, the aberrations will continue to erode the sector's growth. It may be a coincidence that both regulators have worked in tandem and hit the growth driver of the sector.

The New National Health Policy, passed by the Union Cabinet has fallen short on its promises, as it duplicates portions of budget speech, reiterates targets of erstwhile 12th Planning Commission and fails to make health a justiciable right in the lines of right to Education, 2005

The biggest contributor to growth, accounting for 50 percent, of the sector is new introductions, followed by volume (33 percent) and price (17 percent). The NPPA knew where it would hurt the sector most. It, therefore, came up with a set of revised guidelines for application for price fixation and revision of a 'new drug' formulation related to the National List of Essential Medicines (NLEM) formulation. It had the intended effect.

The guidelines have led to delay and denial of price approvals for several new introductions. This was further compounded by the NPPA in February 2017 when it notified not to entertain applications for retail price fixation of new introductions, representations against price calculation sheets, etc., unless certain information was furnished online through the Integrated Pharmaceutical Database Management Systems (IPDMS).

This would result in further slowdown as the industry is not ready to implement it. The system is cumbersome. Its compliance is even more difficult. Unlike annual returns, the system requires day-to-day online feeding. The companies believe that they are in the business of manufacturing and selling their products, not filing of daily returns.

Frivolous litigations by patent holders have delayed the development and launch of new generics. This has denied Indian companies the benefit of the 'first-to-file' provision in the US. This, in turn, has resulted in the loss of revenue and market leadership. It has also delayed access to affordable generics to the public.

Unsettled by arbitrary implementation of the pricing policy, many Indian companies have been increasingly investing in setting up and acquiring manufacturing facilities abroad, thereby not only slowing down investment in the country but also taking jobs out of India.

To add to the woes of the sector, it is now proposed that sale of 'single salt' formulation should be in 'salt name' only. This would shift the choice of a product from medical professionals to chemists, compromising patient interest, as all products are not of uniform quality.

More than half of India's exports of pharmaceuticals are branded products. The popular brands in the domestic market enjoy certain brand equity in other emerging markets too. If India were to eliminate brands for 'single salt' formulations, exports will suffer, as the domestic industry will lose its product identity. Moreover, many countries emulate India for policies governing the pharma sector.

Brands may also be done away with, thereby eliminating product differentiation. This would put Indian manufacturers at a significant disadvantage in export markets *vis-à-vis* imports from other countries and local manufacturers. It is time that policymakers wake up to the decline in the rates of growth and the damage that the new policy initiatives might cause to a sunrise sector of India.

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* *Secretary General, Indian Pharmaceutical Alliance. This article was published in* The Economic Times *on April 13, 2017*

Changes in Leniency Provisions

Anti-trust regulator Competition Commission of India (CCI), with the aim to amend provisions related to leniency under the competition law has put up draft norms for public comments. The changes have been proposed to ensure more 'clarity' to the stakeholders.

Currently, an entity can seek lesser penalty in cases related to cartelisation provided the entity is not part of the particular cartel anymore.

The CCI plans to include the provision that an entity seeking leniency has to provide "the names of individuals, if any, who have been involved in the alleged cartel on its behalf and for whom lesser penalty is sought". *(FE, 23.03.17)*

CCI Approves Acquisition

The CCI has approved Tatas' purchase of 21.63 percent stake in group firm Tata Tele Services Limited (TTSL) from Japan's NTT DoCoMo, taking the long-pending deal towards completion.

A joint filing was made with the CCI for acquisition of share amounting to 21.63 percent in TTSL by Tata Sons and four other group firms; Tata Steel, Tata Industries, Tata Communications and Tata Power.

In their joint application, the five companies said, "We propose to undertake a transaction, which will result in acquisition of equity shares of TTSL comprising 21.63 percent of the paid-up equity share capital, by the acquirers from DoCoMo pursuant to certain consent terms entered into between Tata Sons and DoCoMo". *(Mint, 26.05.17)*

CCI Imposes Penalty on Hyundai

The CCI has imposed a penalty of ₹87 crore on Hyundai India for adopting unfair business practices with respect to providing discounts on cars. Besides, the company has been directed to cease and desist from following any anticompetitive practice.

A spokesperson for Hyundai India said, "We are really surprised with this order. We are studying the order in detail and will take necessary course of action to challenge the order at an appropriate level to protect the interest of our customers and channel partners by abiding with all laws of the land". *(ToI, 15.06.17)*

Allegations against 'WhatsApp'

Allegations of predatory pricing against 'WhatsApp' were rejected by the CCI. The rationale of the order was that even though 'WhatsApp' appeared to be dominant in the relevant market, the allegations of predatory pricing had no substance and there seemed no contravention Section 4 of the Competition Act.

All consumer communication apps are offered free of cost or at a very low price and are normally characterised by simple user interfaces, so that costs of switching to a new app are minimal for consumers, stated CCI. *(BS, 01.06.17)*

Stake Acquisition Gets Approval

The CCI has approved Sumitomo Corporation's purchase of 49 percent stake in proposed joint venture Mukand Alloy Steels Pvt. Ltd. (MASPL). MASPL would be a joint venture between India's Mukand Ltd. and Sumitomo Corporation of Japan.

The CCI said that it has approved "acquisition of 49 percent equity shares of Mukand Alloy Steels Private Limited by Sumitomo Corporation".

As per the notice submitted to the CCI, Mukand Ltd. and Sumitomo propose to form a joint venture to engage in the business of manufacturing, marketing, selling and distribution of hot rolled wire rods and bars by rolling and finishing of blooms and billets. *(DNA, 21.06.17)*

Kotak Mahindra Bank Gets Nod

The Competition Commission has given its approval for Kotak Mahindra Bank buying out British partner Old Mutual's 26 percent stake in former's life insurance arm for ₹1,293 crore.

CCI said it has approved 'acquisition by Kotak Mahindra Bank of 26 percent shares of Kotak Mahindra Old Mutual Life Insurance Ltd. from Old Mutual Plc'.

The Mumbai-based Kotak Mahindra Old Mutual Life Insurance is a joint venture between Kotak Mahindra Bank (KMB), its affiliates, and Old Mutual Plc. *(DNA, 16.06.17)*

Adverse Effects of Merger

The CCI is currently assessing the likely adverse effects on competition of the proposed merger of Dow Chemical Company (Dow) and E.I. du Pont de Nemours and Company (DuPont).

www.google.co.in

The merger of two already large MNCs must not be seen in isolation, but instead must be measured against the other two big mergers that are simultaneously underway between agri-chemical giants around the globe, namely ChemChina's takeover of Syngenta and Bayer CropScience's acquisition of Monsanto. *(TW, 13.04.17)*

PS: CUTS International in its submission to the CCI has also requested for merger review to take into account: (1) rising vertical integration to build super-platforms for one-stop solutions, (2) reduction of agri-biodiversity because of global consolidation, and (3) public and farmers' interest.

Jio Case: CCI Seeks Probe Report on Telcos Soon

The Competition Commission of India (CCI) has directed its investigation arm to complete, in 60 days, the probe against incumbent operators and the industry association for colluding to deny network connectivity to newcomer Reliance Jio.

The fair trade regulator's decision comes on a complaint filed against leading incumbent players Bharti Airtel, Vodafone and Idea Cellular and industry body Cellular Operators Association of India (COAI).

The CCI also made a scathing observation on the 'conduct' of the COAI in the matter. The regulator has decided to investigate allegations of unfair business practices made against the incumbent telecom players. Sources said the regulator would also examine the overall conduct of the COAI, especially since the allegations of anticompetitive practices have been made against three of its key members.

The probe by the Director General (DG) has been ordered for allegedly trying to restrict the entry of Reliance Jio."The DG is directed to complete the investigation and submit investigation report within a period of 60 days...", the CCI majority order said. The fair trade regulator said that *prima facie* there has been a contravention of a particular section of Competition Act that deals with anticompetitive agreements.

The CCI also stated that the International Telecommunication Organisations (ITOs) appeared to have entered into an agreement among themselves, through the platform of COAI, to deny Point of Interconnect – or network connectivity – to Reliance Jio. "Having been *prima facie* convinced that the impugned conduct is an outcome of anticompetitive agreement against the ITOs, Commission does not find it appropriate to consider the same impugned conduct as unilateral action by each of the ITOs", it said.

The CCI also stated that the incumbent telecom operators (ITOs) appeared to have entered into an agreement among themselves, through the platform of Cellular Operators Association of India, to deny Point of Interconnect – or network connectivity – to Reliance Jio

www.moneycontrol.com

The CCI order directing an investigation is expected to be published shortly on the regulator's website. After which the investigation has to be completed within 60 days, as prescribed by the law. The CCI will then assess the investigation report and pass a final order.

"Though we have not seen the order as it has not been published yet, we are disappointed at the apparent news (if confirmed), that the CCI has decided to go forward with an investigation into the complaint filed by Reliance Jio", COAI DG Rajan Mathews said.

In 2016, billionaire Mukesh Ambani's venture Reliance Jio stormed into the Indian telecom market – the second largest market globally with 1.2 billion subscribers – with disruptive offerings and has since been at loggerheads with the incumbent operators.

The two sides have also clashed on other contentious issues like free voice and data offers, and customised retention plans.

In a stand-off that made headlines last year, Reliance Jio had accused incumbent players of not providing sufficient network connectivity (leading to call failures on its network), while the latter countered the claims saying the newcomer was unleashing 'tsunami' of free traffic from its mobile network.

According to the latest order, the role of COAI has also come under the CCI's glare. The order noted that it appeared that COAI has facilitated the joint conduct of the incumbent operators to collectively decide to prevent the successful entry of Jio in the telecom sector.

Trade association, it said, have 'legitimate and beneficial functions' and can play an important role in advancing policy initiatives. However, when a trade association is found to be indulging and playing a role in coordinating in an anticompetitive activity among members, its actions as well as those of its members will fall foul of the provision of the Act, the order noted.

"In the present case, it appears that instead of taking a holistic view on the issue at hand by soliciting views of all members including Reliance Jio Infocomm Limited (RJIL), COAI has chosen to selectively represent the views of only its majority members, viz, ITOs with an apparent motive to scuttle the entry of new player, RJIL in the telecom market", it said.

The CCI majority order is accompanied by a dissent note by members Sudhir Mital and Justice G P Mittal, who disagreed that there was a *prima facie* case to hold that the established operators along with COAI had acted in a concerted manner to restrict Jio's entry into the market.

– *This has been adapted from a PTI News Release published in* The Financial Express *on May 15, 2017*

Democracy Will be the Loser When and if We Cease to Hear Voices Other Than Our Own: Mukherjee

Technology has led to a phenomenal growth in the means of communication, bombarding the public with unprecedented volumes of data, information and, not least, opinion. This has had many positive outcomes: foremost, it has broken the shackles of silence imposed on the powerless.

We must continue to 'throw open the window for fresh breezes' as Mahatma Gandhi observed, without being blown away, states Indian President Pranab Mukherjee

The sense of liberation that the Internet and social media, especially, allows, has ensured that everyone has a voice and that even small voices in the remotest areas can be heard. The average citizen has been truly empowered in her ability to speak out and to find out.

Such information, in order to make sense needs to be carefully vetted – checked and rechecked – contextualised and made sense of for it to have value or equally importantly, not be misused. When so many people speak in so many voices across mediums, many voices are drowned out in the cacophony that is created: and in that noise it is difficult to hear or make sense of what is being said.

This is where good journalism plays a vital and irreplaceable role: it intervenes. It sifts through all the data, separates facts from what is now described as 'fake news', ensures accuracy and provides context, analysis and opinion, so that the public can be better informed and form informed opinions.

As I have said on many occasions earlier, discussion, dissension are crucial to public debate for decision-making in a vibrant, healthy democracy, such as India's. There should always be room for the Argumentative Indian but not for the Intolerant Indian. That would be contrary to the spirit of the Constitution of India, to the very idea of India itself.

I believe that the bedrock of Indian civilisation has been its pluralism and its social, cultural, linguistic and racial diversity. It mesmerises me when I shut my eyes and think that in our country 1.3 billion people who are using more than 200 languages, practicing 7 major religions, belonging to three major ethnic groups are residing under one system, one flag and one identity of being Indian. That is the celebration of our diversity.

That is why we need to be sensitive to dominant narratives, of those who make the loudest noise, drowning out those who disagree. That is because social media and broadcast news have seen angry, aggressive posturing by state and non-state players literally hounding out contrarian opinions. People in power, across the spectrum of politics, business or civil society, by virtue of the position they enjoy, tend to dominate the discussions and influence its direction.

Due to technological advancement, they can now reach out directly to their audience, completely bypassing this crucial process of filtration and mediation. This often becomes a one-way only communication from the powerful to the less privileged, and an effort to push the narrative in one direction.

Indian civilization has always celebrated plurality and promoted tolerance. These have been at the core of our very existence as a people, binding us together for centuries despite our many differences. We must continue to 'throw open the windows for fresh breezes' as Mahatma Gandhi observed, without being blown away.

Thus the need to ask questions of those in power is fundamental for the preservation of our nation and of a truly democratic society. This is a role that the media has traditionally played and must carry on playing.

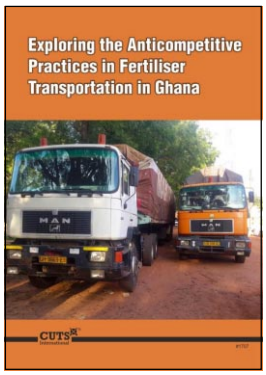
I believe the media must safeguard the public interest, and provide a voice to the marginalised in our society. Our people face enormous inequalities which need to be articulated and highlighted continuously – by the media – in order to ensure they are addressed by those who govern.

Even as the youth look to the future, there has been considerable questioning of the past in the public discourse over the last few years. Each generation has the right to look back and reassess the strengths and weaknesses of the past. Let the brave new India draw its own conclusions.

Media must always remember that its fundamental task is to stand up and ask questions with honesty and fairness. That is the sacred promise it has with citizens in a democracy.

– *This has been adapted from an article published in* The Indian Express *on May 27, 2017*

Research Report



Exploring the Anticompetitive Practices in Fertiliser Transportation in Ghana

"Exploring the Anticompetitive Practices in Fertiliser Transportation in Ghana" study was undertaken by CUTS Accra Centre with the aim of exploring possible causes of high prices of subsidised fertilisers in the country. The study was carried out with the sole aim to investigate if any anticompetitive practices are prevailing at the port handling and inland transportation of fertilisers as well as to determine the possible effects of such anticompetitive practices on the retail cost of fertilisers in Ghana. The research study emerged from the project entitled "Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries' (CREW Project), a project which was implemented in Ghana, India, Philippines and the Zambia, across two common sectors: 1) Staple Food and 2) Bus Transport sectors with the aim to demonstrate the benefits of competition reforms to consumers and producers.

http://www.cuts-ccier.org/CREW/pdf/Exploring_the_Anticompetitive_Practices_in_Fertiliser_Transportation_in_Ghana.pdf

ReguLetter

The April-June 2017 issue of ReguLetter carries cover story entitled, 'Towards effective Competition Regimes in Africa' as its cover story, which states that the African continent is seeing steady growth in adoption of competition legislation since the 2000s. This is in spite of the fact that competition policy was taken out of the Doha Agenda negotiations of the World Trade Organisation (WTO) in July, 2004. Countries, aided by organisations like CUTS, United Nations Conference on Trade and Development (UNCTAD), World Bank (WB), etc. realised the value of having a competition regime for the benefit of its own economy even though it was not a part of the global trade agenda.

A special feature by Phil Deeks considers three fundamental areas financial advice firms should be focussing on to ensure they are on the front foot for embracing the UK Financial Conduct Authority's (FCA's) increasing focus on competition.

Another article by Morne Van Der Merwe points out that the perception of South Africa as an entry point into the continent and as a destination for medium-to-low risk developing market investment could be hit.

This newsletter can be accessed at: www.cuts-ccier.org/reguletter.htm

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Please e-mail your comments and suggestions to **c-cier@cuts.org**

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- Content
- Number of pages devoted to news stories
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SOURCES

BL: The Hindu Business Line, **BS**: Business Standard, **DNA**: Daily News and Analysis, **ET:** The Economic Times, **IE:** The Indian Express, **IT:** India Today, **FE:** The Financial Express, **HT:** The Hindustan Times, **TG:** The Guardian, **TH:** The Hindu, **ToI:** The Times of India, **TW:** The Wire

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