Planning Commission
Government of India

PART A: News pertaining to Planning Commission

08.10.2014

Compiled by:

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Planning Commission Library

[Note : Now the Daily Digest is divided into two parts: Part A contains News pertaining to Planning Commission and Part B contains general News and Views]

1. FinMin, RBI to fix monetary policy framework by year-end

The Indian Express: 08.10.2014

The finance ministry and the Reserve Bank of India are set to finalise a new monetary policy framework by the end of the year that will make the government responsible for setting targets of retail inflation.

The arrangement will include a separate monetary policy committee under the RBI that will decide on pursuing the target by deciding on interest rates.

“There has been a lot of discussion on the issue and we are likely to announce a new framework for monetary policy by December end. We are waiting for the finance minister’s return to start final consultations,” said a senior official.

Heralding a new era of financial sector reforms, finance minister Arun Jaitley had in the Union Budget 2014-15 announced that the government will soon come out with a modern monetary policy framework.

“It is also essential to have a modern monetary policy framework to meet the challenge of an increasingly complex economy. The government will, in close consultation with the RBI, put in place such a framework.”

The new framework will have to be decided by December end so that the initiatives could be included in the Action Taken Report that has to be tabled in Parliament by January 15.

The framework will borrow from the recommendations of the Financial Sector Legislative Reforms Commission that called for a new monetary policy framework with accountable aims as well as the Urjit Patel committee that suggested a 4 per cent retail inflation target through a separate monetary policy committee.

The official, however, indicated that the government along with Parliament would be responsible for setting the inflation target.

“What is the appropriate inflation target for India cannot be decided by the RBI, it has to be decided by the government. Government may decide in consultation with Parliament, government may decide on its own,” he said.

The new framework is expected to be operationalised through an agreement between the finance ministry and the RBI rather than amendments to the RBI Act. “The amendments will ideally be done when the more comprehensive amendments suggested by the Financial Sector Legislative Reforms Commission are taken up,” said the official.

Such a route was also taken up operationalize the Ways and Means agreement in 1997 while the more comprehensive Fiscal Responsibility and Budget Management Act was enacted only in 2004, the official said.

2. Coal and punishment

Written by Kirit Parikh | The Indian Express: 08.10.2014

The prime minister said, during his trip to the United States, that he would use the coal allocation turmoil to clean up the sector. I suggest ways to do that without punishing the innocents and in a rational, transparent manner.

The Supreme Court's revocation of allocations of all but four coal blocks out of 218 raises a question on crime and punishment. In allocating coal blocks by nomination, the Central government was at fault and the culprit. Some of the allottees may have given bribes, so they are also partners to the crime. But surely, not all allottees gave bribes? Taking away their coal blocks is to punish innocents. I thought our system of law ensures that no innocent person is punished, even if it means that many who are guilty escape punishment. The Supreme Court's order is thus hard to understand, unless, of course, the court has evidence that all paid bribes for the allocation of a block.

Many allottees have been sitting on the coal blocks without utilising them. Some of them may have been delayed for want of clearances from the various government departments at the Centre and the state. Others may just have been hoarding the blocks. A severe penalty should be imposed on the hoarders, at least equivalent to the cost of importing an amount of coal equal to the shortfall in expected production. Some allottees have been selling coal to third parties, in violation of the law and the terms of allotment. They should also be severely punished and fined. These coal blocks should, of course, be taken over by the government. But the Supreme Court should have differentiated between the allottees, separating the guilty from the innocent.

Among the blocks revoked are 44 that produce some 38 million tonnes (mt) of coal per year. We cannot afford any disruption in production as we import more than 100 mt of coal every year. Importing that much more coal would not only burden our current account deficit but also push up the price of coal in the international market. Whatever the court's reasons for its judgment, the pressing question now is what is to be done.

The first thing to be noted is that coal blocks are allotted only to captive users, such as producers of power, cement and steel. They are not allowed to sell coal to third parties. As long as the product is sold in a competitive market, as cement and steel are, the excess profit from the allotment of coal would only be the difference between the allottee's cost of production and Coal India's cost. This difference of cost can arise from a difference in efficiency or in the nature of the coal block.

If the captive miner is more efficient, then one should not grudge her the excess gain. If you recognise this, the CAG estimate of a loss of Rs 1.86 lakh crore is hard to understand. The only unearned gain she could have made is from the quality of the coal block, if the cost of mining is less than the cost incurred by Coal India. Coal blocks differ from one to another and so does the cost of mining. It is often claimed that the better blocks are cornered by Coal India and others are given poorer blocks, where the cost of production would be higher.

Recently, a spate of articles has suggested that coal blocks should be auctioned in a transparent, competitive way as soon as possible. However, they do not suggest how to account for the differences in the relative worth of coal blocks. Also, they do not suggest how this can be done without disrupting coal production. I suggest below a way to account for this, and to have a fair and transparent auction where the gains accrue to government, with minimum chances of production being disrupted.

We can assess the quality of a coal block. In the late 1970s, one of my students, Sudhir Chitale, in his PhD thesis, had econometrically estimated the cost of mining coal as a function of the various physical characteristics of a coal block, such as the depth of the overburden, and the thickness, slope and area of the coal seam. That cost function can be quickly updated for changes in relative prices and technological progress. With this, it would be possible to assess the relative worth of coal blocks.

Explore coal blocks to be auctioned thoroughly, to assess all characteristics that affect the output and cost of mining. Put this data on a website accessible to all bidders. A fee can be charged for access. The bidders will know the relative worth of different blocks and bid accordingly. The government will then capture the true worth of all blocks.

For the blocks that are already being mined, the auction could involve two parts. The current owner should price her capital stock. The coal block and the capital stock are auctioned separately. A bidder is not required to bid for the existing capital. The present owner can also bid. If the winning bidder for the block is unwilling to pay what the present owner demands for the existing capital, the latter should be required to take her equipment back by a pre-announced date. Of course, the winner of the block must be required to work it and produce coal as per a prescribed schedule, failing which a stiff penalty may be imposed — at least as much as the cost of import to make up for the shortfall in production.

The government should take this opportunity to denationalise coal and permit anyone to mine, not just captive users. It should also permit the sale of coal to third parties.

The writer is chairman, Integrated Research and Action for Development, Delhi, and former member,PlanningCommissionexpress@expressindia.com

3. **Coal likely to remain India's energy focus as country battles for jobs**

Source: Thomson Reuters Foundation - Tue, 7 Oct 2014 15:00 GMT

Author: **Manipadma JenaMore news from our correspondents**

A worker unloads coal from a truck inside a coal yard at Saroda village in the western Indian state of Gujarat on July 5, 2014. REUTERS/Amit Dave

NEW DELHI (Thomson Reuters Foundation) – Investing in renewable energy could cost India jobs in the short run, warns a government report that could influence the direction of energy investment by India's new jobs-focused administration.

The April report, from India's **Planning Commission**, says that installing more wind and solar energy in the country, at a relatively higher cost than conventional energy, could in the short term slow the economy and cost jobs in traditional industries.

"Green energy will give jobs but will also displace those employed in the coal and transportation sectors," Kirit Parikh, an economist who headed the expert group that produced the **report** on low-carbon strategies and "inclusive growth", said at a media seminar in Delhi.

In 2009, India made a voluntary commitment to the international community to reduce greenhouse gas emissions by 20-25 percent from 2005 levels by 2020.

But the report estimates that all the country's low-carbon strategies together will cost an estimated $834 billion overall over 20 years, reducing the country's GDP by 3.3 percent by 2030. In the short term, it says, implementing wind and solar energy plans could cost jobs by diverting funds from coal production.

Under the government's low-carbon growth plan, wind and solar power are each envisaged to make up 8 percent of India's power generation by 2030. Together with nuclear, hydropower and biomass, non-fossil fuels would supply 33 percent, while coal would account for 63 percent.

That projected proportion of power generated from coal in 2030 is just 2 percent less than at present, but under the plan half of thermal power plants would be operating using more efficient "super-critical" technology that emits fewer greenhouse gases.

FOCUS ON JOBS

Faced with a rate of economic growth that has fallen from a high of more than 9 percent in 2008 to below 5 percent in the last two years, the recently elected Prime Minister Narendra Modi's National Democratic Alliance government, voted to power on the promise of providing jobs for all and taming price hikes in essential commodities, is under pressure to prioritise economic activity that provides the greatest employment.

The country is confronting a demographic youth "bulge" of 550 million people under 25 years old that is both an opportunity to grow its economy and a challenge in that it requires 15 million jobs to be created annually.

India's Ministry of New and Renewable Energy and others involved in solar power have insisted that renewable energy offers potentially higher rates of employment per unit of electricity produced than coal, particularly during the construction and commissioning phase.

But the International Renewable Energy Agency **found** in its 2014 annual review that employment in India's wind power and grid-connected solar photovoltaic sectors in 2013 totalled 114,000, the same level as in 2009.

The report estimated that that India's entire renewables effort provided 391,000 direct and indirect jobs overall in 2013. By comparison, China had 2.6 million such jobs.

Even after the launch of the flagship Jawaharlal Nehru National Solar Mission in 2010, solar power projects created just 24,000 jobs in 2011-2014, according to a new **study** by the Council on Energy, Environment and Water, a non-profit policy research organisation, and the environmental non-profit Natural Resources Defense Council.

India’s solar market is slowing, according to the study, which says one main stumbling block is the government’s inconsistent policy on subsidies. State utilities also have been accused of not sticking to their obligations to purchase power from renewable resources, putting off investors.

However, critics say that international trade disputes and anti-dumping duties on U.S. and Chinese solar imports are also contributing to the slump.

“A little bit of policy tweak and minimal subsidy support would go a long way in putting the solar sector back on track,” said S.P. Gonchaudhuri, director of the West Bengal Green Energy Corporation.

COAL ON TOP

Today, coal remains India’s top fuel, providing two-thirds of its energy. Coal is one-sixth cheaper than solar per kilowatt of power produced and overall also provides a higher number of jobs, experts said.

Although a total figure for the industry is not available, Coal India Limited, which contributes 81 percent of India’s coal production from 471 mines, has a workforce of over 340,000.

The sector generates additional employment through rail, port and road transport, and loading and unloading, as well as at power plants, suggesting total employment likely exceeds the 391,000 jobs provided by the renewables sector in 2013, experts said.

India is currently the world’s fifth largest producer of electricity, but its production fell 8.7 percent short of demand in 2013, according to the Central Electricity Authority. That is in part because coal production has not kept pace with demand over the past decade.

The government estimates that the country’s energy supply will need to quadruple or quintuple if it is to achieve 8-9 percent annual growth until 2032.

In July, within two months of coming to power, the new government eased rules for the expansion of small coal mines that produce up to 8 million tonnes per annum, exempting them from holding hearings with affected local communities on the environmental impacts of expansion.

Around 400 such coal mines will benefit from the relaxation in regulations.

Environmentalists concerned about India's need to reduce its reliance on fossil fuels acknowledge that no shift from coal is likely in the short term.

"Coal is here to stay till 2030," said Ritu Mathur of Delhi-based The Energy and Resource Institute (TERI). But "renewable energy is necessary and likely to play a major role after 2021," she added.

Manipadma Jena is an environmental journalist based in India: **http://twitter.com/ManipadmaJena**

4. PM wants fresh search for chief economic advisor
Business Standard: 08.10.2014

Among the names suggested by the finance ministry, noted economist Arvind Subramanian was considered a strong contender

Finance Minister Arun Jaitley might have to begin a fresh search for filling the long-vacant post of chief economic advisor in the finance ministry, with Prime Minister Narendra Modi expressing reservations on the "same old set of names" being proposed.

According to officials, the PM has asked the finance ministry to consider more names before finalising the candidate. There are indications that on the new list, economists currently working in India would be preferred to Indian economists settled abroad. "He is asking why there are only a handful of candidates who are considered each time and why can't there be new names?," said an official who did not wish to be identified.

Among the names suggested by the finance ministry, noted economist Arvind Subramanian was considered a strong contender. Subramanian is presently a senior fellow, Peterson Institute for International Economics and Center for Global Development, based in the US. The post has been vacant since Raghuram Rajan resigned about a year ago after he was appointed Reserve Bank governor. The Modi government's first Economy Survey, in July, was released without a CEA.

The CEA heads a team of economic advisors who bring out the government's annual Economic Survey. The team also pens a mid-year analysis of the economy, presented in the winter session of Parliament. The main activities here include monitoring macro economic trends and policy issues.

With larger economic growth expected to only gradually recover this financial year from below-five per cent in 2012-13 and 2013-14, and inflation still to show a consistent pattern of a decline, the new CEA will have a lot on his plate.

The process of finding more names came to a halt in the last few weeks as the finance minister was hospitalised. Now that he has been discharged, the process is likely to be speeded up.

The CEA would have to present the next Survey in February 2015.

5. We need a sharp policy intervention

V Raja , Business Line: 08.10.2014

Cut and thrust That’s what India’s manufacturing needs

Reforms in land acquisition laws and a shift away from subsidy spending to infrastructure can propel India’s growth

The new government brings a positive outlook to the country. And there is general optimism that the economy is expected to be back on the growth track very soon. There seems to be a strong commitment for the people’s mandate; growth and employment have become the focus areas.

Of course, an action-oriented government can be a catalyst to fuel growth with the help of competent entrepreneurial organisations. But this is not going to be a cakewalk.

Ailing sectors

Over the past few years, India has lost out on several economic indicators. The country’s supply of transport, telecom, and energy infrastructure remain largely insufficient and ill-adapted to the needs of the economy.

Infrastructure and real estate — the two big ticket sectors that are the vital forces necessary for lifting the economy out of the worst slump it has seen in a decade — are both facing problems of their own.

For instance, this fiscal year (2014), the National Highways Authority of India (NHAI) has managed to award just 479 km of road projects against its target of 3,000 km by September, with just two projects for public-private partnerships (PPP) finding takers.

Significant increase in price and procedural delays in securing land for non-agricultural use are some of the key deterrents for private companies to invest. And the new government is expected to introduce legal and procedural reforms to smoothen things out.

Clear uncertainties

A certain degree of astuteness is required to boost investments in fresh projects. Regulatory uncertainties seem to be holding us back in several key areas, including big-ticket land and labour reforms, coupled with the lack of regulatory clarity in crucial infrastructure segments.

Tiding over these hindrances could restore investor confidence. A simplified tax structure with implementation of reforms can jump-start manufacturing.

These new projects will generate employment, which, in turn will boost consumption.

The Centre and States have been discussing the introduction of Goods and Services Tax (GST) for the last four years. We have already missed two deadlines. Implementing the GST will propel growth in consumption and local manufacturing.

As has been seen in the case of direct taxation, where lowering of taxation helped increase collections and compliance, revenues would increase with rationalisation of indirect taxes as well, providing the additional resources that can be deployed in development projects.

Once GST is rolled out, several electronics companies would be able to kickstart manufacturing. But India's manufacturing output declined 0.2 per cent in 2013-14, against 1.1 per cent growth the previous year, dragging down the overall economy.

But the electronics industry, which is a drain on foreign exchange today, can be a big contributor to manufacturing growth, with the right policies in place.

Be inclusive

Addressing the gap between India's potential and current growth performance is not easy.

However, an inclusive approach can help. By including women, youth and rural populations in the resurgent India story, we can be assured of sustainable, steady and rapid progress.

It is also critical to develop a vibrant manufacturing ecosystem by correcting our labour regulations and utilising emerging technologies such as 4G and 5G to modernise our business infrastructure and processes.

With better utilisation of technology and the easing up of regulations, India will see the emergence of smaller manufacturing hubs and urban centres, distributing the growth story across the nation.

Our biggest strengths — favourable demographics, large and growing markets, and unmatched entrepreneurial and technological strengths — continue to be in our favour.

By 2030, India's urban population will reach 590 million. Our young demographics, coupled with abundant natural resources, could inject a new dynamism into the flagging economy.

By 2020, 63 per cent of India's population will be in the working age group.

Employment for so many people will be a challenge. It is time to make some hard decisions. For example, instead of distributing rice to the poor and underprivileged at Re 1 per kg, the Government should look at investing in ancillary units or boosting other employment opportunities.

The Government continues to subsidise fuel, and import more of it, affecting our currency value and current account balance.

We expect the new government to use the funds for subsidies for infrastructure so that India could become an attractive foreign investment destination. It is equally important to encourage entrepreneurial growth.

Money matters

India is one of the toughest markets in the world to set up a business because of various regulatory issues.

The Government has only just started taking some steps to make the country entrepreneur-friendly. The persistently high inflation rate makes matters worse.

Regulatory bodies in India are taking stock of the situation. According to Assocham, the RBI’s strict steps to curb the rupee’s volatility will be essential to the country’s economic recovery.

Targeted monetary measures along with short-term restrictions on capital outflows, curbs on Indian firms investing abroad, and a reduction of outward remittances will help to buffer the flailing rupee.

The RBI in fact, expects the current account deficit to stay around $56 billion this year (2014-15), which is less than 2 per cent of GDP and $32 billion less than last year.

These steps and more, in an environment of political stability, entrepreneurial growth, and increasing employability can only help India reclaim its position as one of the fastest developing nations in the world.

PART B

NEWS AND VIEWS

Wednesday, 08th October 2014

Polity	: No Reprieve for Jayalalithaa
Economy	: Finance Ministry, RBI to unveil new monetary policy framework by Feb 1
Planning	: Parliamentarian model village scheme To merge welfare plans
Editorial	: Standing still

Communication, IT & Information Division
Phone # 2525

The Statesman

Date: 08/10/2014
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NO REPRIEVE FOR JAYALALITHAA

KARNATAKA HC REFUSES TO GRANT HER BAIL

STATESMAN NEWS SERVICE
Bangalore, 7 October

Karnataka High Court today rejected the bail plea of former chief minister of Tamil Nadu, Jayalalithaa, in the Rs 66-crore disproportionate assets case, in a blow to her and her supporters and partymen.

Jayalalithaa was sentenced to four years in jail and fined an unprecedented sum of Rs 100 crore after being convicted by a special court on 27 September, along with her close associate Sasikala, the latter's nephew, Sudhakaran, and niece, Illavarsi. All the four have been lodged in the city's Parpana Agrahara jail.

The bail plea was rejected by Justice A V Chandrasekhara of Karnataka High Court.

The order came after some twists and turns, with a section of lawyers who had come out of the packed court room earlier informing the waiting media that the judge had granted conditional bail to Ms Jayalalitha and others.

This led to bursting of crackers and shouts hailing the AIADMK leader, although the joy was shortlived.

AIADMK supporters in Tamil Nadu too burst crackers, and distributed sweets as a section of the electronic media broke the "news" that Jayalalithaa had finally got a reprieve from the courts and that she would be out of jail within the next 12 hours. Within minutes, however, the media came out with the correct version, leaving many Jayalalithaa supporters confused and fuming.

The judge did not mince any words when he said that the Supreme Courtdid grant bail in the past to several accused but it was important to note that it had come down heavily on corruption, which violated human rights and led to economic imbalance.

He said it was a serious offence and that systematic corruption was more serious. The bail plea could not be entertained as there were no sufficient grounds to grant Jayalalithaa the required relief, he said.

The hopes of Ms Jayalalithaa's supporters had soared earlier when the public prosecutor, Mr Bhavani Singh, submitted that he did not have any objection to the court granting the AIADMK leader bail.

In the morning, Mr Ram Jethmalani, who appeared as Jayalalithaa's defence counsel, argued that his client would abide by any condition that the court might impose while granting bail, as she was a law abiding citizen.

The court also rejected the bail pleas of Sasikala, V Sudhakaran and Illavarsi. They were also convicted by the special court on 27 September and sentenced to four years in jail, with a fine of Rs 10 crore each.

The bail plea had first come up for hearing last Tuesday before being scheduled for today, after a week-long holiday on account of Vijaydashami and Bakrid.

Earlier in the day, the city police commissioner, Mr M N Reddy, spoke to his counterpart in Chennai requesting him to ensure that offensive posters against Kannadigas be taken off the roads. These posters had threatened to imprison Kannadigas in Tamil Nadu. A few even talked about 'invading" Bangalore if their leader was not released.

COURT BLOW

1 The HC judge said there were insufficient grounds to grant Jayalalithaa the requested relief

2 Bail was also denied to Sasikala, Sudhakaran and Illavarsi, convicted along with Jaya.

Business Line

Date 08/10/2014

Page No. 04

Finance Ministry, RBI to unveil new monetary policy framework by Feb 1

8-member panel to finalise policy contours, inflation targeting

SHISHIR SINHA

New Delhi, October 7

The Finance Ministry aims to complete the formalities for implementation of the new Monetary Policy Framework Agreement by February 1. However, it will be left to the Reserve Bank of India to decide on the date of implementation.

The proposed framework aims to change the monetary policy formulation and will also focus on inflation targeting. Traditionally, the monetary policy formulation is a closed-door affair in the RBI. But, with the new system, an eight-member Monetary Policy Committee will now take a call on the policy, and the central bank will then implement it.

"The Finance Ministry is writing to the RBI seeking its comments on the proposed policy. The proposal will then be placed in the public domain before finalising the agreement," a senior Finance Ministry official told *BusinessLine*. The RBI is likely to be asked to respond by October 31. The endeavour is to sign the agreement by February 1, 2015, to show that one of the key Budget announcements has been implemented, the official added.

Finance Minister Arun Jaitley, in his Budget speech on July 10, had said, "It is also essential to have a modern monetary policy framework to meet the challenge of an increasingly complex economy. Government will, in close consultation with the RBI, put in place such a framework."

The proposed framework is based on a combination of recommendations by FSLRC (Financial Sector Legislative Reforms Commission) and the Urjit Patel Committee, along with inputs from the Rajan Panel on Financial Sector Reforms.

"It is one of the biggest non-legislative actions on the suggestions given by FSLRC," the official added.

Policy matters

- FinMin will seek RBI's comments on the proposed policy
- The proposal will then be put in public domain
- RBI is likely to respond by October 31
- Framework based on FSLRC, Urjit Patel and Rajan panels recommendations

As recommended by the FSLRC, the committee would comprise the Governor and a Deputy Governor (in-charge of monetary policy), besides five members from outside and a Government nominee. The decision will be based on the majority view to be established through voting. However, the Government nominee will not have voting right and will simply provide inputs from the Government.

The official said once the draft framework is finalised, an agreement will be signed between RBI and the Finance Ministry. This will be the second agreement for a big shift after both sides signed an agreement for ways & means in 1997.

The proposed policy framework has also drawn inspirations from the UK. It also prescribes the proceedings of Monetary Policy Committee to be made public with a time lag and proper attribution.

Business Standard

Date 08/10/2014
Page No. 05

Parliamentarian model village scheme to merge welfare plans

NITIN SETHI
New Delhi, 7 October

The central government's Sansad Adarsh Gram Yojana (Parliamentarian's Model Village Scheme) will primarily be a remixed serving of existing development schemes, focused on select villages in each constituency, under the close scrutiny of Members of Parliament (MP). The new model village scheme is not likely to see any large additional funds being provided by the Centre at the moment.

A source in the government told *Business Standard* the scheme, meant for MPs to oversee implementation of, will dovetail funding from all existing rural development, health, sanitation, nutrition and other schemes and bring focus of delivery. The Parliamentarians would be asked to utilise their existing MPLAD scheme grants too for the purpose. Some additional small funds may be made available later though the details are not yet finalised, sources said. Finer-detailed guidelines for the scheme could be expected after the formal announcement on October 11, the birth anniversary of Jayaprakash Narayan.

The scheme asks Parliamentarians to adopt a village to begin with and then achieve the holistic development targets in three villages by the end of 2019. This much was announced by Prime Minister Narendra Modi on August 15.

The scheme itself has been fleshed out by officials at the rural development ministry with the Prime Minister's office keeping a close watch not only on the scheme but also its launch event for which invites have been sent out to all MPs, state rural development ministers and secretaries.

The scheme will dovetail funding from all existing rural development, health, sanitation, nutrition and other schemes and bring focus of delivery

The scheme includes a gamut of activities, which in themselves are not novel. From connecting schools in the model villages to the internet and providing access to internet libraries to ensuring every house in the selected village has a toilet. From making sure every household has a piped water connection and clean energy source to ensuring that every family has a permanent house to begin with and roads to walk on. The villages will be turned in to 'smart villages', the scheme suggests.

One of the exemplary cases the officials have tried to emulate in the scheme, said sources in the government, is of Punsari village in Sabarkantha district of Gujarat. The Punsari Gram Panchayat has been awarded both by Narendra Modi as state chief minister and the earlier UPA government at the Centre for bringing in rural transformation.

A senior official in the government aware that work continues to be done to fine-tune the scheme said, "The point is to find synergy between existing schemes and new ideas, focusing on select villages but have clear time-bound outcomes." But clarity is yet to emerge about how the scheme would be different from the Rurban Mission of the rural development ministry, which also intends to provide urban infrastructure in rural areas, or what additional incentives or resources the new programme would provide the Parliamentarians to focus specifically on the select villages to bring about transformation.

The UPA had launched a similar Pradhan Mantri Adarsh Gram Yojana in 2009-10 though that was focused specifically on villages which had Scheduled Caste communities as more than half the population. The UPA had steadily increased the budget spending on the scheme, planning to take it to 44,000 villages under the 12th five-year Plan. Some states, too, have carried out similar village-focused schemes trying to converge all development programmes of states and the Centre in the past.

The new NDA government scheme on the other hand expects Parliamentarians to not just oversee the implementation of all the existing schemes to make sure these multiple physical targets of development are achieved but would also require the peoples' representatives to focus on personal and community hygiene and cleanliness of the citizens in these villages. The parliamentarian would be asked to make sure that not just adults in the select villages but children as well inculcate the habit of taking daily baths and washing their hands to maintain hygiene. The scheme wishes that Parliamentarians provide recreational spaces as well as sporting options to villagers, ranging from yoga centres, walking and running spaces to sports grounds. The target is to ensure a healthy community not only by using existing government schemes but also ensuring better living practices.

The Indian Express

Date: 08/10/2014
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New index to replace WPI likely by FY16; trials to begin soon

SHRUTI SRIVASTAVA
NEW DELHI, OCOTBER 7

THE government is expediting the work to replace Wholesale Price Index (WPI), used for capturing price movements to decide on policy measures, with a more effective and comprehensive Producers Price Index (PPI) by the next fiscal.

A senior official told *The Indian Express* that the trial runs for the new index are likely to begin soon and the department of industrial policy and promotion (DIPP) is considering the release of the PPI from the next fiscal parallely with the WPI data.

The PPI provides a broader coverage in terms of products and industries and it also includes services, something which is not a part of the WPI.

"The data is likely to be released on a quarterly basis to start with. Base price, exclusive of taxes, trade and transport margins, would be used to compute the new index. The base year of 2011-12 will be used for comparisons," the official said. Most countries release the data on a monthly basis, while Australia releases the PPI data quarterly.

Base price is the price received by the producer for goods and services that are sold. It does not include taxes collected by the producer from purchasers. Across the world, WPI has been replaced by PPI given its comprehensive nature. Countries like Japan, the UK, Germany, the US, Australia, Israel, Ireland, Canada, the Netherlands and Chile have adopted it for better policy targeting. "By introducing the PPI, the anomaly of not including services will get addressed. The most common services to be included are water supply, waste management, sewerage and remediation activities," the official added. The DIPP has reached out to Japanese authorities for providing it information about the working of PPI.

THE PPI provides a broader coverage in terms of products and industries and it also includes services, something which is not a part of the WPI

Last month, the government had set up a 12-member working group under the chairmanship of BN Goldhar, professor of economics at the Institute of Economic Growth, for defining the PPI conceptually in Indian context, determining its methodology, data needed for its construction, and selecting a base year among other things.

So far, two panels — both under former Planning Commission members Abhijit Sen and later Saumitra Chaudhuri — have made a case for deliberating on the issue of constructing PPI and eventually migrating from WPI.

The WPI, which was first published in January 1942, has undergone several changes since. From September 14, 2010, the base year for WPI was shifted from 1993-94 to 2004-05.

The new series is representative of commodity basket of 676 items with major groups including primary articles, fuel and power and manufactured products. However it does not include the services sector, which contributes almost 60 per cent to the GDP. While WPI will be phased out, the Consumer Price Index (CPI) will continue to gauge the retail price movement.

The Economics Times

Date 08/10/2014

Page No. 17

Govt to Put Onus on MPs to Develop Villages

Under Modi's pet scheme SAGY, each MP will adopt three villages and take care of their infrastructure needs to modernise them by 2019

Yogima.Sharma@timesgroup.com

New Delhi: The government is preparing to launch an ambitious village development project under which each Member of Parliament will take the responsibility of developing physical and institutional infrastructure in three villages and turn them into model villages by 2019.

Prime Minister Narendra Modi will unveil the blueprint of the scheme, called Sansad Adarsh Gram Yojana, on October 11, the birth anniversary of social activist Jaiprakash Narayan, who led the mid-1970s political movement against the then prime minister Indira Gandhi.

Official documents, reviewed by ET, show that if each MP adopts three villages, the scheme will be able to develop 2,379 'gram panchayats' over the next five years.

The Lok Sabha has 543 MPs and the Rajya Sabha 250, 12 of which are nominated. "A gram panchayat would be the basic unit. It will have a population of 3,000-5,000 in plain areas and 1,000-3,000 in hilly, tribal and difficult areas," an official note said.

"The MP would be free to identify a suitable gram panchayat for being developed as Adarsh Gram, other than his/her own village or that of his/her spouse."

> A gram panchayat would be the basic unit. It will have a population of 3,000-5,000 in plain areas and 1,000-3,000 in hilly, tribal and difficult areas

There are 2,65,000 gram panchayats in India. "Primarily, the goal is to develop three Adarsh Grams by March 2019, of which one would be achieved by 2016. Thereafter, five such Adarsh Grams (one per year) will be selected and developed by 2024," the note added.

The scheme, based on Mahatma Gandhi's concept of rural development, revolves around creating model villages for transforming swaraj (self rule) into su-raj (good governance).

"The goal of Sansad Adarsh Gram Yojana is to translate this comprehensive and organic vision of Mahatma Gandhi into reality, keeping in view the present context," the note said.

The main objective of the scheme is to ensure holistic development of the identified gram panchayats. This includes personal development, human development, social development economic development and environmental development, in line with Gandhi's vision of a model village. This will be done using the programmes of the Centre and states, aided by constituency development funds (MPLADS) of the MPs.

The scheme will be implemented through a village development plan that would be prepared for every identified gram panchayat with special focus on enabling every poor household to come out of poverty. The government will set up two national-level committees for monitoring the implementation of the scheme. One committee will be headed by the rural develoment minister and have ministers in-charge of planning, programme implementation and other key ministries as may be decided.

The second committee will be headed by the rural development secretary with representatives from at least a dozen ministries.

Reaching Out to the Grassroots

What will happen?

2,379 model villages will be developed under the Sansad Adarsh Gram Yojana

When will the scheme be launched?

PM Narendra Modi will launch it on Oct 11, birth anniversary of social activist JP Narayan

How many MPs are there?

Lok Sabha: 543

Rajya Sabha: 250, out of which 12 are nominated members

There are 2,65,000 gram panchayats in India

Focus on Rural Development

- **Scheme is based on Mahatma Gandhi's vision of transforming 'swaraj' into 'su-raj' (good governance)**
- **A village development plan will be prepared for each identified gram panchayat based on its needs**
- **Funds from Centre, state and MPLAD to be used for their development**
- **Two national-level committees to monitor scheme's implementation**
- **In the second phase, MPs will develop five more adarsh grams in five years starting from 2019**

The Tribune

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PRADHAN MANTRI JAN-DHAN YOJANA

Modi cautions bankers against difficult journey ahead

TRIBUNE NEWS SERVICE

NEW DELHI, OCTOBER 7

Prime Minister Narendra Modi has commended bank officials for successfully rolling out the Pradhan Mantri Jan Dhan Yojana.

In an email to bankers, the PM said he was delighted by the unprecedented response the scheme has received so far. He said over 5 crore bank accounts had been opened within five weeks of the launch against a target of 7.5 crore accounts in the first year.

Cautioning the bankers, he said, "As we move ahead from here, the journey is bound to become more difficult and achievements harder to come by. Reaching the last few who do not have bank accounts is going to be progressively more difficult. We must not slacken our efforts in ensuring full coverage."

"This is also the time to reflect and make mid-course corrections as required. New accounts also need to be kept alive and properly utilised. Facilities such as e-KYC must be gainfully utilised. Banks and bank mitras will now have to play a proactive role," he said.

Subramanian unlikely to be chief economic adviser

NEW DELHI: US-based economist Arvind Subramanian is unlikely to become the chief economic adviser after Prime Minister Narendra Modi questioned a request to appoint him, a source said on Tuesday, a further delay to filling a position key to writing the Budget. A senior official at the Finance Ministry said Finance Minister Arun Jaitley would soon send a new list of names to the PM and a final decision would be taken by the two. REUTERS

The Tribune

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World Bank sees India's growth at 6.4% in FY16

WASHINGTON, OCTOBER 7

The Indian economy, which accounts for 80% of South Asia's output, is set to grow by 6.4% in 2015-16 as against 5.6% in 2014-15, the World Bank has said.

With economic activity buoyed by expectations from the newly elected government of PM Narendra Modi, "India is benefiting from a Modi dividend," the World Bank said in its twice-a-year South Asia Economic Focus report yesterday.

Over the next year or so economic growth should be supported by the recovering US economy that would provide a market for Indian merchandise and service exports, it said.

"The outlook over the next years for South Asia indicates broad economic stability and a pick-up in growth with potential risks concentrated on the fiscal and structural reform side," said Martin Rama, Chief Economist for South Asia, at the World Bank. "Future growth will increasingly depend on strong investment and export performance," he said.

Private investment is expected to pick up thanks to the government's business orientation, and the declining oil prices should boost private sector competitiveness. But economic reforms will be needed for India to achieve its full long-term growth potential, the report argued.

The report said the region's economy would expand by 6% in 2015 and by 6.4% in 2016 compared to 5.4% this year, potentially making it the second fastest growing region in the world after East Asia and the Pacific. Other countries in the region are Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka.

The World Bank said India's long-term growth potential remains high due to favourable demographics, relatively high savings, and policies and efforts to improve skills and education, facilitate domestic market integration and incentivise manufacturing activities.

In the medium term, with the economy still below potential and reforms on a gradualist path, growth is expected to accelerate from 5.6% in 2015 to 6.4% and 7% in 2016 and 2017.

Inflation is expected to decline with the monetary policy switching to inflation targeting while the current account deficit is expected to widen somewhat as import demand and capital inflows rise.

Fiscal consolidation is expected to continue with stronger revenue mobilisation, while the oil subsidy burden could decline to 0.6% of GDP if benign global crude prices persist, it said. — PTI

IMF projects GDP to pick up in 2015

WASHINGTON: The IMF on Tuesday forecast 5.6% growth rate for India this year and a higher 6.4% in 2015, citing renewed confidence in the market due to a series of economic reforms being undertaken by the new government. — PTI

Pvt sector activity rose in Sept: HSBC

NEW Delhi: Private sector activity in India inched up fractionally in September amid worrying business sentiments, an HSBC survey said on Tuesday. The headline HSBC composite output index stood at 51.8, up fractionally from 51.6 in August. — PTI

Business Line

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IMF sees reform moves pushing GDP growth to 6.4% in 2015

New confidence in the Modi Govt

PRESS TRUST OF INDIA
Washington, October 7

The IMF today forecast 5.6 per cent growth rate for India this year and a higher 6.4 per cent in 2015, citing renewed confidence in the market due to a series of economic reforms being undertaken by the new Government.

"Growth in India is expected to rise to 5.6 per cent in 2014 and pick up further to 6.4 per cent in 2015 as both exports and investment increase," the International Monetary Fund said in its latest World Economic Outlook report released here today.

In 2013, India's growth rate was five per cent.

On the other hand in China, growth will remain at 7.4 per cent in 2014 and is projected to be 7.1 per cent in 2015.

According to the report, after a slowdown in the first half of 2014, global growth is forecast to strengthen to 3.5 per cent in the second half of 2014 and 3.8 per cent in 2015. But growth is uneven and still weak overall and remains susceptible to many downside risks.

The IMF said global growth slowed more than expected from an annualised rate of 3.9 per cent in the second half of 2013 to 2.7 per cent in the first half of 2014.

"Although the downside surprise was mainly owing to temporary factors, particularly for the US economy, it also reflected a weaker recovery in the euro area, as the region continued to overcome the legacies of the crisis, and in Japan, where the negative effects on demand of the consumption tax increase were greater than previously expected," it said.

Among emerging market and developing economies, growth in China picked up in the second quarter, responding to the measures deployed to boost activity after a weaker-than-expected first-quarter out-turn.

However, domestic demand remained weak in a few major economies, notably in Latin America.

Geopolitical tensions related to the Russia-Ukraine situation and the Middle East dampened activity in those regions, but with limited broader spillovers so far, the report said.

Bright prospects IMF says that India has recovered from a slump and has hiked its 2014-15 growth forecast to 5.6 per cent. AFP

Slow recovery

Advanced economies, the report said, are expected to continue a slow recovery, with growth rising to 1.8 per cent this year and to 2.3 per cent in 2015.

Growth in emerging market and developing economies will slow to 4.4 per cent in 2014, before rising to 5.0 per cent in 2015, it said.

"The forecast is weaker than projected in the April 2014 WEO, reflecting the negative growth surprises in the first half of the year, a more subdued pace of domestic demand growth in some emerging markets," the report said.

The Financial Express

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CEA appointment to get delayed as 'PM wants net widened'

fe Bureau

New Delhi, Oct 7: The Centre will further delay the appointment of the chief economic adviser (CEA) in the finance ministry as Prime Minister Narendra Modi has asked for more names of prospective candidates for the post, which has been lying vacant for more than a year.

The post has been vacant since Raghuram Rajan took over as Reserve Bank of India governor on September 4 last year. The ministry has presented an interim budget and a full fledged budget without a formal CEA in office.

> The Prime Minister had raised the issue of names of only a handful of people coming up for consideration for the post. He wants the net to be widened
>
> SENIOR GOVERNMENT OFFICIAL

The ministry had earlier suggested some names, including that of US-based economist Arvind Subramanian, as probable candidates for the post. The Prime Minister has not yet taken a decision on it as finance minister Arun Jaitley has been unwell and out of office for over a month now, a senior government official said.

Modi, according to sources, did not like the concept of names of the same set of persons coming up for consideration every time there is a vacancy. "The Prime Minister had raised the issue of the names of only a handful of people coming up for consideration for the post. He wants the net to be widened," the official said, adding that the ministry may be required to submit a list of fresh names for the post once Jaitley comes back from his health-related break.

Business Standard

Date 08|10|2014
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Projects rocked by policy paralysis get rolling again

Revivals nearly double q-o-q to 36 in September, highest in 3 years

DEV CHATTERJEE
Mumbai, 7 October

Indian companies and banks have some reasons to cheer. Stalled projects are finally showing signs of traction, with the Modi government taking steps to revive those projects which were stuck due to policy paralysis and land acquisition problems. According to CMIE statistics, 36 projects were revived in the September quarter as compared to 20 in the June quarter. The number is the highest in the last 11 quarters and almost equals those revived in the December 2011 quarter.

The value of stalled industrial projects in the September quarter has declined to ₹2.5 lakh crore from its peak of ₹3 lakh crore in the March quarter this year. The value of stalled infrastructure projects is now contained at slightly below ₹5 lakh crore, according to CMIE data. The revival of projects is in line with CEOs' expectation that as the new government gives faster clearances and removes bottlenecks, stuck projects would move to the execution stage. The revival is mainly seen in the chemicals, petroleum products, and metal sector projects.

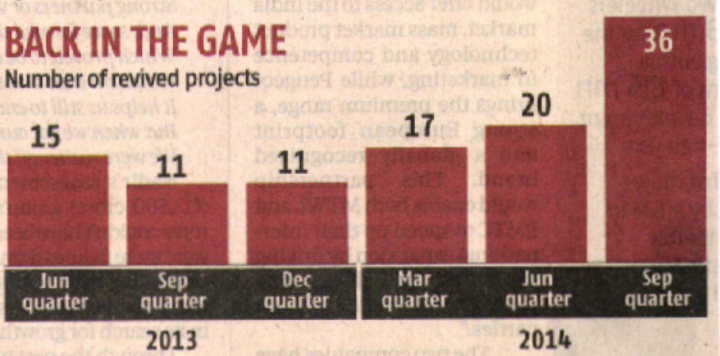
In the last four years, a large number of industrial projects were stalled across the country mainly due to land acquisition problems and lack of financing. This led to many CEOs complaining of a policy paralysis. The stalled projects led to bank money getting stuck as companies failed to implement projects.

"The decline in stalled projects is good news for the economy and in conformity with other parameters on GDP growth and industrial projects where there are signs of traction," says D R Dogra, CEO and MD of CARE Ratings. "That said, I will still be cautious in interpreting these numbers as a rebound as we need to see if this trend is sustained and finally translates into capital formation. At present, the debt market is muted and credit growth is tardy. We need to wait and watch as to how progress takes place on this end. Otherwise, we do get a sense of recovery," he said. Goldman Sachs analysts Pulkit Patni and Mohit Soni said, "We expect this decline (in stalled projects) to continue over the next few quarters as more projects move out of the slow and non-moving category."

The CMIE capex September 14 quarterly data show that average four-quarter new announcements from the government were up 16 per cent quarter-on-quarter and for the private sector were up 30 per cent.

BACK IN THE GAME

Number of revived projects



Source: Goldman Sachs report citing CMIE data

ECONOMY, P4

Wildlife norms won't cage animal spirits...

The Centre has relaxed environment norms for industry in and around wildlife sanctuaries. To have no eco-sensitive zones around national parks and sanctuaries, it has been made possible for developers to begin work in these areas without a central nod.

...IMF sees ray of hope for India in Modi govt

The IMF on Tuesday has said India's GPD growth this financial year will be 5.6%, owing to favourable policies of the Modi government.

Services sector grows

In September, India's services sector grew more than in the previous month, showed the HSBC Purchasing Managers' Index.

Business Standard

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Industry gets green norm relief

Environment ministry relaxes rules in and around wildlife sanctuaries and national parks for project developers

SOMESH JHA
New Delhi, 7 October

The Centre has relaxed environment norms for industry in and around wildlife sanctuaries and national parks. To entertain states' proposals to have no eco-sensitive zones around national parks and sanctuaries, the environment ministry has made it possible for project developers to begin work in these areas without a central nod. This was done through various guidelines issued in the last week of September.

In the case of industrial projects in wildlife areas, the ministry has said project proponents can carry out preliminary surveys after securing the approval of the forest officer (chief wildlife warden), instead of approaching the Centre, and, subsequently, seeking the nod of the National Board for Wildlife (NBWL).

The Centre has worked out this measure through a clause originally meant for scientific research, wildlife study, photography, tourism, etc. This will be now extended to industrial projects, on the condition that there is no physical disturbance to the protected area where the preliminary survey is conducted.

The clause reads, "The chief wildlife warden may, on application, grant to any person a permit to enter or reside in a sanctuary for all or any of the following purposes — investigation or study of wildlife and purposes ancillary or incidental thereto, photography, scientific research, tourism and transaction of lawful business with any person residing in the sanctuary." This has been interpreted by the environment ministry to imply developers can carry out scientific research for early assessment of the viability of projects.

BACK-DOOR ENTRY?

Decision: Project proponents can carry out preliminary surveys after securing the approval of the forest officer (chief wildlife warden), instead of approaching the Centre

Condition: No physical disturbance to the protected area where the survey has to be conducted

Benefit: Reduces time to set up units considerably for industrialists who complain of delays in grant of environment clearances

This, the ministry said, would make the process of securing wildlife clearances more efficient and "save a series of steps of clearance for survey alone".

According to a Supreme Court mandate, projects within 10 km of a wildlife sanctuary or national park have to secure the approval of NBWL.

In another major step, the Centre has asked states to identify protected areas where there is no scope of demarcating eco-sensitive zones or where "zero" eco-sensitive zone is required. This is in line with demands of states such as Goa and Sikkim, which have said declaring eco-sensitive zones might impede socio-economic development in these state.

According to a Supreme Court ruling, state governments have to identify eco-sensitive areas around national parks and sanctuaries, where no development work is permitted. After the order, the Centre had directed states to identify such areas.

In a separate guideline, the Centre has asked states not to apply for NBWL clearances for projects near wildlife sanctuaries, as the environment ministry will decide which projects need NBWL nods. Currently, for projects near wildlife areas, state governments apply for an environment clearance and an NBWL clearance to the Centre.

The Centre noted a separate clearance from NBWL had been linked to the environmental clearance, under the Environment Protection Act, 1986. As of now, states assess whether projects fall within a 10-km radius of these wildlife zones and send a separate proposal to the Centre for review.

The environment ministry has asked state governments not to do so any more.

Business Standard

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Govt plans to ease curbs on organic food export

BS REPORTER
Mumbai, 7 October

The Union government would like to move towards lifting a ban on export of organic agricultural products and their derivatives.

On the sidelines of the 4th National Conference on Organic Farming organised by The Associated Chambers of Commerce and Industry of India on Tuesday, A K Tripathy, joint secretary, department of commerce and industries, said, "(We) are trying that there is never a ban on organic processed food export, even if the primary produce of that commodity is subjected to some restrictions."

While export of primary organic agricultural produce is allowed, there are restrictions on a host of other commodities, such a pulses and edible oils.

The ban has been imposed primarily because of differentiation in quality specifications and the lack of a credible certification system.

"Unless world-class certification agencies are established, the credibility of India's organic food exporters would remain in question outside the country. But once domestic standards are made compulsory, the supply of quality goods for exports will also improve significantly," said Tripathy.

The global organic food market is estimated at $64 billion. India's share is 0.35 per cent.

Santosh Sarangi, chairman of the Agricultural and Processed Food Products Export Development Authority (Apeda), said: "One major challenge for India is to maintain the integrity of an organic certification system."

Apeda says it is working to expand the portfolio of organic products available for export. It is working to, among other things, add aquaculture, textiles and livestock to the category.

While export of primary organic agricultural produce is allowed, there are restrictions on a host of other commodities, such as pulses and edible oil BS PHOTO

"One major challenge for India is to maintain the integrity of an organic certification system."

SANTOSH SARANGI
Chairman, Agricultural and Processed Food Products Export Development Authority

The Financial Express

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Poor start for govt plan to sell wheat in open market

Sandip Das

New Delhi, Oct 7: The government's move to sell excess wheat stock through the Open Market Sale Scheme (OMSS) has begun on a dismal note.

Since August, when the OMSS was launched to upload excess wheat stock held with the Food Corporation of India (FCI) in the market, only 4.6 lakh tonne of grain has been sold to private bulk buyers.

The government is aiming at selling 10 million tonne of wheat from FCI stocks in the open market by March 2015. FCI had wheat stock of more than 35 million tonne at the start of September which is far in excess of buffer norms.

According to FCI officials, demand for wheat from mainly bulk buyers such as flour millers and processors would increase in the next few months because of the festive season. A flour miller from Ghaziabad said private wheat stocks held with traders have been declining steadily, thus demand from wheat under OMSS would see a sharp rise.

"Supply situation has improved with the government selling excess foodgrain through bidding," Adi Narayan Gupta, a flour miller from Uttar Pradesh and former president of Roller Flour Millers Federation of India, said.

The FCI conducts a weekly auction through the NCDEX platform to sell wheat in the open market. The government has set a reserve price of ₹1,500 per quintal plus freight cost to consuming locations.

Besides, buyers have to pay 5% extra on the base price for the new wheat crop (2014-15 season), the procurement of which ended in June.

Meanwhile, wheat prices have been stable across the country in the last few months. As per Agmark data, the market price of wheat in Delhi is around ₹1,400 per quintal while the grain is being sold in Visakhapatnam at ₹2,200 per quintal.

In 2013-14, FCI had sold 5.8 million tonne of wheat to bulk buyers while the government had set a target of 8.5 million tonne of grain to be sold under OMSS. The corporation had realised average price of more than ₹1,604 per quintal for the wheat sold to private traders from the total sell earning of ₹9,310 crore.

In a bid to fight the inflationary trend, the government last month announced allocation of 5 million tonne of rice as additional allocation to states under the Targeted Public Distribution System.

Under OMSS, around 20 key consuming states such as Uttar Pradesh, Madhya Pradesh, Kerala, Tamil Nadu, Karnataka, Odisha, Bihar, West Bengal and Maharashtra were allocated 2 lakh tonne of wheat for sale to bulk buyers. Himachal Pradesh and the north-eastern states have been allotted 50,000 tonne of wheat each.

The Indian Express

Editorial

Standing still

If India's 'Doing Business' rank is to improve, government must address stasis in telecom sector

FOLLOWING the prime minister's "Make in India" speech in which he set a target of taking India's rank in the World Bank's Ease of Doing Business report from 134 to the top 50, the Centre has unveiled a two-pronged strategy to mitigate the hassles faced by businesses. While the states are being exhorted to make the investment climate less hostile, another plan is underway to cut inter-departmental squabbling on clearances at the Centre. This is, of course, most welcome, especially as the government appears to be borrowing from the experience of states and benchmarking "best practices" for regulatory processes. But for an administration desperately trying to attract business, its policies in the telecom and oil sectors are bewildering.

In the telecom sector, for instance, there has been an inexplicable delay in the department of telecommunications granting companies the spectrum that they won in the February auctions. And given that the 20-year-old licences for spectrum in the 900 Mhz band will be up for renewal next month in circles like Delhi, Kolkata and Mumbai, the delay in allocation could result in choked networks, disruptions and call drops. That's not all. By challenging the TDSAT verdict allowing intra-circle roaming in the 2100 Mhz band in the Supreme Court — indeed, even the Q&As attached to the government bid documents allowed this — the Centre is further vitiating the environment. With the mergers and acquisitions policy still unclear, expiry and non-renewal of 900 Mhz licences across circles imminent, and the government unable to free up and offer more spectrum for auction, the overall scenario is dismal. Indeed, the upcoming auctions early next year will likely witness some fierce bidding because getting more spectrum is now a matter of survival for telcos.

A similar stasis pervades the oil sector where a decision on gas prices is still awaited. As are resolutions to year-old export proposals and lease extensions. Oil and telecom are two sectors in which businesses are waiting to pump in capital. The stakes are high. In fact, it has been estimated that a 10 per cent increase in broadband penetration could increase the GDP growth rate by 1.4 percentage points. It's time to get moving.