Planning Commission
Government of India

PART A: News pertaining to Planning Commission

30.09.2013

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. **Indian Government relooking into the privatisation process of six major airports**

Airport Technology: 29 September 2014

The Indian Government is taking another look at the airport privatisation process initiated under the previous United Progressive Alliance (UPA) government.

Civil aviation minister Ashok Gajapati Raju said that there was a need for a fresh round of consultation with airport developers, **airlines**, passenger associations and travel operators before reaching a final conclusion on the model concession agreement for the construction and expansion of these airports through public-private partnership (PPP).

"Discussions are being held between different stakeholders to form a model agreement to ensure a **more** transparent process and to avoid grievances of stakeholders at a later stage."

The PPP process for the modernisation of the airports at Kolkata, Chennai, Jaipur, Guwahati, Ahmedabad and Lucknow had been launched by the UPA government in 2013.

However, the process could not be completed owing to differences between the Indian Civil Aviation Ministry and the **planning commission** on the model concession agreement and various issues including **revenue sharing** and the period of lease. The process has been on hold since the general elections were announced.

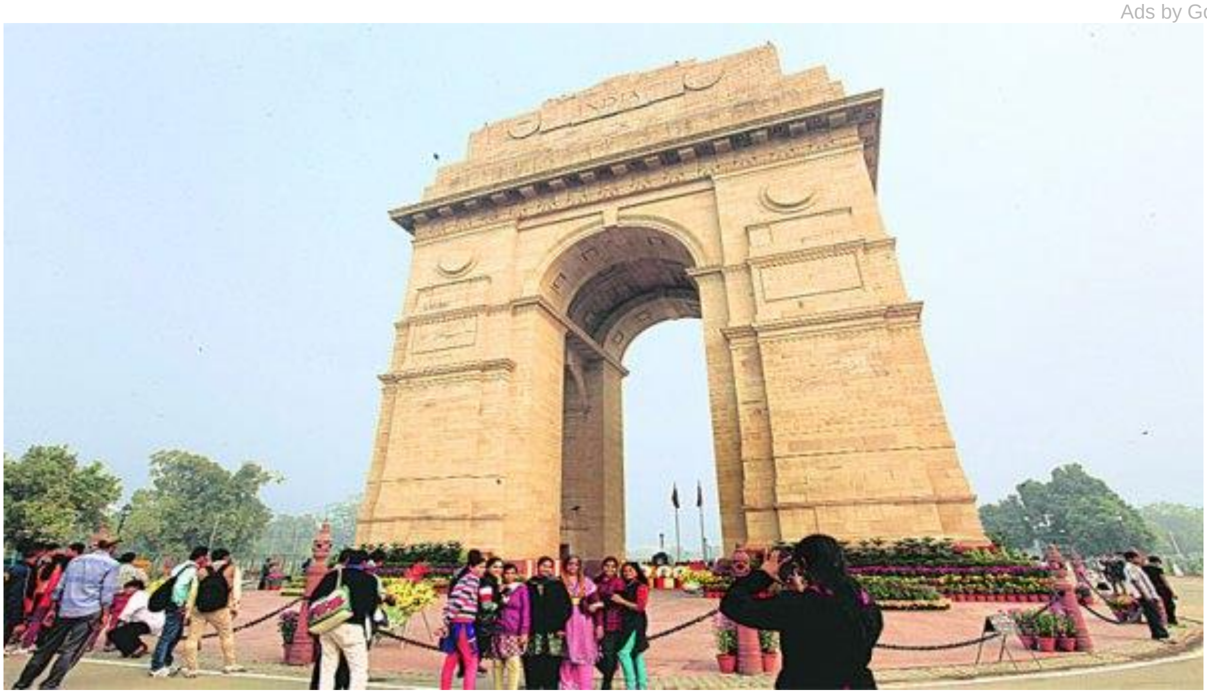
The Press Trust of India said that according to official sources, discussions are being held between different stakeholders to form a model agreement to ensure a more transparent process and to avoid grievances of stakeholders at a later stage.

High airport charges and other **related issues** that are affecting airlines have forced the concerned parties to think about holding fresh discussions to ensure that the privatisation did not increase airport costs and charges.

A process of relooking into matters like revenue-sharing model and the master concession agreement in public-private partnerships in airports is being carried out by an inter-ministerial group, which comprises officials from the finance and civil aviation ministries and the planning commission

2. Students to report to school on Oct 2 for clean campaign

Shikha Sharma, Indian Express: 30.09.2014



The ‘cleanliness Walkathon’, organised by the Centre, will begin at 8.45 am on Gandhi Jayanti at **India** Gate. (Source: Express Archive)

A month after Delhi schools were asked to **host** the live broadcast of Prime Minister Narendra Modi’s Teachers’ Day speech, government schools in the capital have now asked students to report to school on October 2 to “actively participate” in the Swachh Bharat Abhiyan, a nation-wide cleanliness campaign.

The campaign, started at the behest of the PM after his Independence Day speech, will be launched by Modi himself in Valmiki Sadan. Students of Delhi government schools will participate by cleaning up the premises on Gandhi Jayanti.

According to a circular sent out to all schools by the Directorate of **Education** (DoE), students and school staff for **single** shift and first shift schools will report to school at 9 am. Students “and teachers in second shift schools have to be in school by 1 pm”, the circular states. Students from both shifts will first take a “cleanliness pledge” and then engage in “cleanliness campaign activities” for about 40 minutes. This will be followed by a “special midday meal”, the circular stated. Single shift and second shift schools will get over at 11 am and 3 pm, respectively.

The DoE has also released “suggested action points” for students, teachers, principals and officers to ensure schools remain clean and free of clutter.

“Delivering talks on hygiene during morning assembly, taking the cleanliness pledge everyday during morning assembly and planting saplings on your birthdays and after it” are some of the measures recommended by the department.

Senior officials will visit the schools to ensure strict compliance.

“All government schools will be visited during the campaign, not only by senior officials of the DoE, but others as well. We expect everybody to participate enthusiastically in this national endeavour to make our beloved country ‘Swachh Bharat’,” the circular issued states.

Besides undertaking the campaign in schools, around 2,500 government school students have also been asked to report to India Gate at 8.45 am to participate in a cleanliness ‘Walkathon’.

“On October 2, 2014, the Ministry of Urban Development… is organising a Walkathon to sensitise the citizens of the capital about making cleanliness a habit… This is a moment of pride for all of us as Delhi school students have been invited to participate in the Walkathon and be a part of Swachh Bharat Abhiyan. It would be a lifetime opportunity for students to listen to the Prime Minister live during the programme,” the circular states.

“Around 2,500 students of Delhi government schools will participate in the Walkathon… The students will walk nearly 3 km in this Walkathon with posters/banners on cleanliness theme. The students should be a mix of both boys and girls,” the circular states.

The DoE’s **sports** branch has been entrusted with the responsibility of making “necessary arrangements for transportation of students and teachers, refreshments, drinking water and banner for buses”.

3. Flip side of FDI

Bharat Jhunjhunwala, The Statesman: 30.09.2014

Prime Minister Narendra Modi has been on a shopping spree, seeking foreign investment from China and Japan. He hopes that multinational corporations (MNCs) from these countries as well as others will invest and help India become the workshop of the world. The underlying assumption is that the country needs foreign capital and technology to be able to manufacture in step with world standards. The impact of such foreign direct investment (FDI) is expected to be hugely positive.

Fifteen years ago, I had undertaken a study of the impact of FDI on the Indian economy. The impact is positive in the short-run but becomes negative after about 15 years. FDI creates demand for cement, steel and machinery when a new project is established. This leads to higher growth rate in the short run. In the long run, however, profit repatriations start. This leads to the bleeding of our economy. Second, MNCs have deep pockets. They resort to predatory pricing and force domestic business enterprises to shut down. Having established their dominant position in the market, they start charging exorbitant prices. Third, they kill domestic entrepreneurship which is the engine of growth in the long term.

I searched on Google Guru for recent studies on the topic and found that my assessment is confirmed. A study by the University of Minnesota revealed that specific instances of FDI have generally had a negative impact. There is no independent impact of FDI on economic growth. “Independent” here means that once the impact of education, domestic savings, free trade, etc. is removed, then no impact of FDI is visible. The implication is that the perceived positive impact of FDI is actually due to other factors and not due to FDI per se.

A study conducted by Calcutta University found that FDI and economic growth go together. But the process runs from economic growth to FDI. In other words, FDI does not push growth. FDI can result in profits once growth has taken place. A study by the University of Amsterdam found that the impact of FDI depends on the country of its source. FDI from the UK had a positive impact on the host economy. At another remove, FDI from Germany and the USA was found to have a negative impact and that from Japan was found to have a severely negative effect.

A study by Harvard University showed that FDI exerts an ambiguous effect on growth. FDI in the primary sector has a negative impact on growth, while FDI in manufacturing has a positive impact. I must confess that certain studies commissioned by the World Bank and the International Monetary Fund pointed to a positive impact of FDI. However, I have deliberately chosen to ignore them for being motivated. The almost inevitable conclusion is that FDI is not beneficial. At best, it has no impact. This is the context in which the policy of attracting FDI has to be reviewed. It seems to be beneficial when matched with frontier technologies. Such FDI is welcome. The problem lies with FDI that brings capital in the main. For example, Hindustan Lever had bought the Indian company, TOMCO. Such FDI brought only capital and no technology. Such capital-led FDI calls for reflection. Actually, the developing countries have become exporters of capital. All the developing countries taken together received $ 506 billion worth of FDI in 2006, according to data provided by the World Bank. Against this, an amount of $ 858 billion has been remitted illegally from developing countries, according to the international watchdog, Global Financial Integrity. The developing countries are receiving less money from FDI than they are losing through illegal remittances.

If Mr Modi wants to jumpstart investment then he should focus on preventing illegal remittances. The NDA Government's resolve to bring back black money stashed away abroad is an admission of this illegal outflow. More importantly, studies indicate that MNCs have a huge role in making these illegal remittances. A study supported by the Finnish Government estimated that only a small part of illicit capital flight is due to corruption. “A lion's share of developing countries’ tax losses results from tax evasion and avoidance by MNCs,” it observed. Another study by a Belgium-based organization has estimated that the developing countries lose more than $ 1000 billion each year through illicit financial flows, mainly in the form of tax evasion by MNCs. Data available on the net reveals how MNCs misuse transfer-pricing to make these illegal remittances. They over-invoice imports and under-invoice exports made to their principals. In this manner the developing countries are losing huge amounts. The policy of inviting MNCs to manufacture in India is, therefore, like inviting the thief to set up the police station in the town. They may appear to bring dollars upfront but they take out much more on the sly.

The other issue relates to government consumption. The problem of economic development is mainly rooted in the bleeding by bureaucrats, often in collusion with politicians. Salaries and pensions paid to government servants account for nearly one half of all expenditures of the government. Mr Modi maintains an eerie silence on this.

The FDI policy needs to be revisited. Every FDI proposal must be closely subjected to a technology audit. Proposals involving transfer of advanced technologies alone should be welcomed. All proposals should also be subject to social audit. Often the direct impact of FDI may be positive in terms of creation of jobs. But it may lead to more unemployment by displacing small producers. A proposal to make textiles may, for example, lead to unemployment of a large numbers of weavers.

Finally, the character of the source country must be kept in mind. Mr Modi must direct the Finance Ministry to commission a study on the impact of FDI that has come from various countries. If FDI from Japan has had a severely negative impact in developing countries in general, then we should be wary of proposals coming from that country. Economic growth cannot be attained on borrowed crutches. Mr Modi must look inwards and create conditions that encourage Indian nationals to invest their money within the country instead of sending it abroad. It is good to “Make in India,” but there is no need to bring in MNCs into the picture. The Prime Minister must focus on preventing illegal remittances both in the form of black money and transfer-pricing by MNCs. And he should control government consumption.

The writer is former Professor of Economics at IIM Bangalore

4. Modi visit to give Indian green energy $1-bn push

Shreya Jai Business Standard; 30.09.2014

The clean energy sector in India will be one of the first sectors that would benefit during Prime Minister Narendra Modi's US trip. The sector awaits investments worth about $1 billion from US companies.

To finance sourcing of components from the US for Indian renewable power project developers, IREDA (Indian Renewable Energy Development Agency) and the US Exim Bank would sign an agreement. The financing would span over 18 years. (DATE WITH US INC)

Officials close to the development said the agreement would be signed during Modi's visit to the US. "This amount would be extended as tied loans on a project-to-project basis. There would be a fine balance for all kinds of renewable-based power projects. Though the major import from the US is solar panels, loans are likely to give much-needed push to solar power project development," said a senior official. (BUSINESS BREAKFAST)

RENEWABLE IMPETUS

• $1 billion agreement between US Exim Bank and IREDA

• IREDA develops and extends financial assistance for renewable energy projects

• Aid to buy equipment for renewable projects from the US

• Projects need to have 30% locally sourced equipment

• Major impetus to solar power which imports largely from the US

The rider, however, is that 30 per cent of the total equipment in the power project should be domestically sourced. Confirming the development, K S Popli, chairman and managing director, IREDA, said, "The loan amount of up to $1 billion is extended by the US Exim bank to IREDA for disbursal to grid-connected projects. Though there is no sovereign guarantee that comes with the loan but it would be extended to anyone who wants to set up a renewable energy-based power project with equipment sourcing from the US."

The country aims to add about 4,500 Mw of solar power capacity during the current financial year to the existing capacity of 2,600 Mw. The manufacturing capacity of solar panels in the country, however, is just 1,500 Mw. To invite global players to the country, the ministry of new and renewable energy would also host the first-ever renewable energy global investment promotion meet in February next year. This goes well with the mega 'Make in India' plan of the government to boost manufacturing in the country.

While wind turbines in the country are mostly domestically sourced, 70 per cent of its solar capacity is based on imported content, mostly from China and the US. The government recently quashed the imposition of dumping duty on imported solar cells and modules from the US, China, Malaysia and Taiwan.

Domestic solar cells and module makers had contested in 2012 that cheap imports are killing the indigenous industry.

5. Jan Dhan Yojana achieves 70% of target led by PSBs

Millennium Post: 30.09.2014

The average deposit per account through this scheme is Rs 800-900, total crosses Rs 3,500 crore.

Banks have opened a whopping five crore accounts under the Jan Dhan scheme till 25 September and collected over Rs 3,500 crore in deposits, a top Finance Ministry official said here on Monday.

Led by state-run banks, the system has opened over 5 crore accounts under the Jan Dhan scheme as of 25 September and the deposits collected through the scheme have crossed Rs 3,500 crore, Financial Services Secretary GS Sandhu told the annual meeting of the Indo-American Chamber.

The average deposit per account through this scheme is Rs 800-900, he said.

Giving a major push to the Aadhaar scheme, Sandhu said, all these accounts will be seeded to the Aadhar number and will have biometrics to avoid the duplication.

The Jan Dhan scheme was announced by Prime Minister Narendra Modi during his Independence Day address and was formally launched on 28 August. On the opening day itself, banks opened over 1.5 crore accounts. The government has set a target to open 7.5 crore such no-frills accounts by Republic Day next year. Opening of 5.1 crore accounts means meeting 70 pe cent of the target of 7.5 crore set by the government by 26 January, 2015, he said.

Each of these accounts comes with Rs 5,000 overdraft facility and a Rs 1 lakh accident cover and are linked only to the RuPay cards.

Allaying fears that the Reserve Bank of India (RBI) had raised, Sandhu claimed all the concerns have been addressed. Reserve Bank Governor Raghuram Rajan had earlier this month flagged concerns on the speed at which the scheme was being rolled out.

‘We have to make sure it does not go off track. The target is universality, not just speed and numbers,’ Rajan had told a bankers’ summit earlier this month.

‘We have discussed with RBI, with the governor and other functionaries there. We are all one. There are no differences now,’ Sandhu said today, adding that RBI is supporting the scheme and is also talking to banks.

As for the fear that such accounts may stay dormant, Sandhu said bankers are asking people to deposit money even though these are zero-balance savings accounts.

On an average Rs 800-900 is being deposited in these accounts, Sandhu said, adding this will help in increasing the savings and keep the accounts active.

The government will be transferring the subsidies directly to these accounts which will also help,

Sandhu said.

However, he conceded that at present 50 percent of the 20 crore accounts opened under financial inclusion programme are inactive. Each Jan Dhan account comes with Rs 5,000 overdraft facility, a Rs 1 lakh accident cover and a RuPay debit card.

The banks have so far distributed the RuPay debit cards to only 1.2 crore account-holders because of the high demand for the cards, Sandhu said, assuring that gradually everybody will get the card.

Sandhu also said his department has got the corporate affairs ministry to approve corporate contributions to financial literacy as part of mandatory corpoarte social responsibilty (CSR) spend.

PART B

NEWS AND VIEWS

Tuesday, 30th September 2014

Polity	: No alliance with INLD: Shah
Economy	: RBI set to hold rates to continue inflation fight
Planning	: 24x7 power: W Bank offers Centre A plan
Editorial	: Justice triumphs

Communication, IT & Information Division
Phone # 2525

The Tribune

Date: 30/09/2014
Page No. 01

No alliance with INLD: Shah

NAVEEN S GAREWAL
TRIBUNE NEWS SERVICE

CHANDIGARH, SEPTEMBER 29

The BJP today launched its election campaign in Haryana with its president Amit Shah addressing rallies in three districts, taking the Indian National Lok Dal (INLD) and the Congress head on.

Making it clear that the BJP will have no post-poll alliance with the INLD or any other regional party, Shah claimed the saffron party would form the next government in Haryana.

An aggressive BJP chief launched an attack on Chief Minister Bhupinder Singh Hooda and INLD chief Om Prakash Chautala, asking people to give a clear mandate to the BJP.

Shah's whirlwind trip to the state started from Tohana (Fatehabad) where he sought votes for the state BJP general secretary Subhash Barala. The tone of the BJP president was similar in all three rallies where he sought votes in the name of Prime Minister Narendra Modi. He hit out at the "Haryana Number One" campaign of the Congress

CONTINUED ON P11

BJP president Amit Shah along with party workers at a public meeting in Tohana, Haryana, on Monday. PTI

Kicks off poll campaign

- The BJP chief addresses three rallies in Tohana, Loharu & Ambala
- Seeks votes in the name of Modi
- Dismisses Congress' Haryana Number One campaign
- Says BJP hopes to win at least 62 seats in the state

RBI set to hold rates to continue inflation fight

May lower SLR by 25-50 basis points

BEENA PARMAR

Mumbai, September 29

To break the back of inflation, the Reserve Bank of India is likely to maintain status quo on the policy rate on Tuesday.

Despite positive news on two fronts – ratings agency Standard and Poor's revising India's outlook to stable from negative and a reduction in the Government's borrowing target for the fiscal year by ₹8,000 crore – the RBI is likely to continue with its fight against inflation, said experts.

This means the Repo rate – or the minimum interest rate at which banks can borrow short-term funds from the RBI – may remain at 8 per cent. The cash reserve ratio (CRR) – the slice of deposits that banks park with the RBI – too may remain unchanged at 4 per cent.

However, experts say the Statutory Liquidity Ratio (SLR) may be reduced by 25-50 basis points from 22 per cent at present. SLR is the portion of deposits that banks have to necessarily invest in government securities.

At a recent conference, RBI Governor Raghuram Rajan had said, "The real problem is that inflation is persistent. We have been emphasising again and again in order to break the back of inflation, we got to break this persistence."

For a rate cut, Rajan said prices of not just food but also non-food items need to come down.

Rupa Rege Nitsure, Chief Economist, Bank of Baroda, said: "I am not expecting any cut in repo rate or CRR but expect the RBI to cut SLR by 25-50 bps. This will pave the way for smoother migration of banks to LCR (Liquidity Coverage Ratio) which will help them to hold LCR at respectable levels."

RBI Governor Raghuram Rajan

Inflation worries

- RBI wants inflation down on a durable basis
- May keep the Repo rate unchanged at 8%
- May cut the SLR by 25-50 basis points

LCR is the amount of necessary highly liquid assets that banks need to have on hand to ride out short-term liquidity disruptions. The RBI has asked banks to maintain LCR at 60 per cent from January 2015.

Though the consumer price index, a key determinant of rising inflation and hence monetary policy, reflects a drop in vegetable prices, Nitsure said, "Going by the underlying trend, I don't think there is any possibility of any interest rate cut in this financial year... I don't see any cut before second quarter of 2015."

Consumer price index inflation in August slowed to 7.80 per cent from 7.96 per cent in July. Wholesale price index-based inflation fell to a near-five-year low in August to 3.47 per cent.

Experts feel that inflation is coming down primarily because of base effect but the RBI is more committed to reducing it on a durable basis.

Rajan has raised rates thrice since last September.

Hindustan Times

Date:
Page:

24x7 power: W Bank offers Centre a plan

IN FOCUS Ultra mega solar projects, rooftop solar policy, slashing transmission losses among steps recommended

Anupama Airy
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NEW DELHI: The World Bank has submitted a detailed action plan that could help the government meet its objective of supplying power 24x7 in the country, with focus on bringing down distribution losses, improving infrastructure and expanding solar power.

The proposal includes a state-wise turnaround plan for the key seven or eight states that together account for about 80% of the $20 billion (₹1.2 lakh crore) annual power distribution losses.

Officials said the Bank has identified Delhi, Andhra Pradesh, Rajasthan, Uttar Pradesh and the six north-eastern states of Assam, Mizoram, Manipur, Meghalaya, Tripura and Nagaland for the 24x7 plan with 6 ultra mega solar power projects (in excess of 500 MW) and large-scale decentralised rooftop solar projects of 100 MW.

"The Bank will help the states undertake the required, difficult turnaround actions and will evaluate and implement state-specific programmes by providing... long-term rupee bonds or credit enhancement products," a government official said.

"For Delhi, the Bank will help by partnering with the state transmission utility, Delhi Transco, and address transmission bottlenecks caused by years of underinvestment in the network," the official said.

»CONTINUED ON P15

LOST IN TRANSIT

A quarter of the generated power goes missing on the way to the consumer in India

249,488 MW Total installed power generation capacity in the country

137,352 MW Peak demand actually being met

PM'S TARGET

- 24x7 power supply to all homes in India in 5 years

PRESENT TENSE

300 mn People in India who don't get electricity supply

- 25 units of every 100 units generated are lost in India, on an average

MOUNTING LOSSES

₹1.2 lakh cr Total distribution losses of state distribution companies. Their cumulative debt stands at **₹3 lakh cr**

World Bank ...

CONTINUED FROM P15

The Bank's plan also talks of setting up large-scale 100 MW rooftop solar projects. The solar rooftop policy was rolled out by Prime Minister Narendra Modi when he was Gujarat chief minister. Solar panels were set up on the roofs of houses and institutions, and connected to a smart grid to supply clean electricity.

World Bank president Jim Yong Kim had met Modi in July, when 24x7 power for all was identified as priority area.

The Bank also mentions a long-term partnership with state-owned Solar Energy Corporation of India, to set up ultra mega solar power plants. A 750-MW project in Madhya Pradesh would be followed by five solar parks of 500 MW and above in Gujarat, MP, Telangana, Andhra and Karnataka.

GROWTH RATE OF 5.7% TO 5.9% ACHIEVABLE, SAYS MAYARAM

HT Correspondent
letters@hindustantimes.com

NEW DELHI: The government on Monday expressed confidence that a growth rate of 5.7% to 5.9% would be easily achievable during the current fiscal.

Speaking at a function organised by the Madras Chamber of Commerce & Industry in Chennai, finance secretary Arvind Mayaram said an outlook upgrade by ratings agency S&P from negative to stable reaffirms that the economy was in a much better condition than it was a year ago.

Mayaram said the economic conditions were becoming favourable for a cut in interest rates. "Conditions are becoming favourable for a more benign monetary policy going forward in this year," he said ahead of the Reserve Bank's monetary policy on Tuesday.

Mayaram said the indices in the first half of 2014-15 appear to be more robust, with the first quarter GDP growth at 5.7%, inflation easing and a healthier external account balance.

He also said that the investment data in September shows an uptick with a growth of 9.8% as against 6.7% in the year-ago period. He added that the fiscal deficit target of 4.1% for 2014-15 is achievable.

He said that he is confident that the steps taken by the government to destress projects and simplify decision-making will show increasingly better results in the coming quarters.

Foreign institutional investors' net investment in India this year have reached $34.2 billion compared to $12.13 billion in the entire year of 2013, he said. On ease of doing business, he said that a revision of central government policies is underway, most of the action lies with the states.

The Indian Express

Date: 30/09/2014
Page No. 17

Re hits 7-mth low ahead of RBI review

ENS ECONOMIC BUREAU
NEW DELHI, SEPTEMBER 29

THE rupee on Monday slipped to a seven-month low against a surging dollar as it closed at 61.53. The domestic currency, which had over the months stabilised to a below-60 level, dipped ahead of the Reserve Bank's monetary policy review on Tuesday primarily due to a rise in dollar demand by importers and net outflow of funds by foreign institutional investors (FIIs).

Over the last four trading sessions, FIIs have pulled out a net of Rs 2,304 crore from Indian equities and an aggregate of Rs 4,105 crore from the debt and equity markets combined.

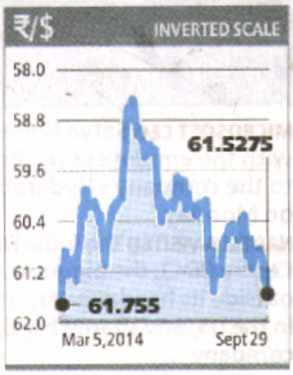
While the softening of global crude oil prices may offer the much-needed comfort to the RBI in terms of targeting inflation, a slip in the rupee against the dollar just takes away the advantage as a depreciating rupee will make imports costlier. It may be a cause of concern for the central bank that will meet on Tuesday for its fourth bi-monthly monetary policy review.

Over the last two months, while the Brent crude prices have softened by almost 10 per cent to below $97/barrel, rupee has depreciated by almost 3 per cent against the dollar.

At the Interbank Foreign Exchange (Forex) market, the domestic unit commenced lower at 61.35 a dollar from previous close of 61.15. It immediately touched a high of 61.31 on initial firmness in local equities. However, later, it fell sharply to a low of 61.59 before closing the day at 61.53 with a fall of 38 paise or 0.62 per cent.

This is its weakest level since March 5, 2014, when it closed at 61.75. On Friday, the rupee rose by 19 paise or 0.31 per cent. Dollar has appreciated against other Asian currencies too. The Japanese yen headed towards the 110 mark after US data showed the economy expanded at its fastest pace since 2011 during the April-June quarter.

Following the FII outflow and decline in rupee, the equity markets too have fallen over the last one week. The Sensex had lost 2.2 per cent or 609 points over the last five trading sessions. On Monday the Sensex fell marginally by 29 points or 0.11 per cent.



Economic conditions favourable for rate cut, says Mayaram

CHENNAI: A day ahead of the RBI's monetary policy announcement, finance secretary Arvind Mayaram on Monday suggested that economic conditions were favourable for cut in interest rates. "Conditions are becoming favourable for a more benign monetary policy going forward in this year," he said.

Mayaram argued that the retail inflation is less than 8 per cent which is the target for this year according to a RBI panel report. PTI

The Times Of India

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Page No. 24

Higher duties on medical device inputs make local mfg unviable

Rema.Nagarajan
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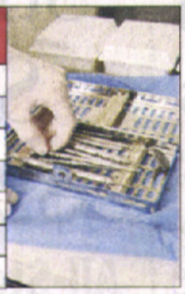
New Delhi: The prime minister has made 'Make in India' one of the thrust areas of the government, but its own taxation policies seem to push in the opposite direction when it comes to medical devices. While duties on inputs for device manufacturing remain very high, making it unviable to manufacture devices in India, duties on finished goods have been steadily reduced and in some cases like cardiac stents even brought to zero. This and some other policies incentivise importing finished goods rather than manufacturing them here.

The net result is that over 75% of India's Rs 30,000 crore medical devices market is dependent on imports, mostly by multinationals that have no manufacturing facility in India. According to a government-directed study, this market is likely to grow at 15% a year, which means it could be worth over Rs 60,000 crore in five years or even Rs 1 lakh crore taking inflation into account. A Boston Consulting Group study estimates the market would be worth about Rs 3 lakh crore by 2025. If India remains 75% dependent on imports, that would mean an import bill of over Rs 2 lakh crore.

DEFYING LOGIC

Category	Total Market (₹ crore)	Imports %age
Disposables	10,000	45
Consumables	5,250	40
Surgical Instruments	400	50
Medical Electronics	10,000	90
Hospital Equipment	2,500	85
Implants	1,250	85
Diagnostics	600	70



- Duties on finished goods have been **steadily reduced** and in some cases like cardiac stents have even been brought to zero
- This market, according to a study, is likely to **grow at 15% a year, which means it could be worth over ₹ 60,000 crore in five years or even ₹ 1 lakh crore** taking inflation into account
- A Boston Consulting Group study estimates the **market would be worth about ₹ 3 lakh crore by 2025.** If India remains **75% dependent on imports, that would mean an import bill of over ₹ 2 lakh crore**

Over 75% of India's ₹ 30,000 crore medical devices market is dependent on imports

Multinational device companies were among the first to be invited for foreign direct investment in India, but most have used the opportunity to set up 100%-owned subsidiaries only for marketing activities and not for manufacturing, stated a white paper on the medical device industry in India prepared by the Engineering Export Promotion Council under the direction of the commerce and industry ministry.

In India, the term medical device covers the entire gamut from disposable gloves and syringes to high-end machines like CT scans and robotic surgery machines. The indigenous industry consists of over 750 firms primarily manufacturing low technology products, though a few have been making a slow transition to producing cost-effective medium-end medical devices. Just 2% are 500-crore plus companies, 3% are Rs 100 crore-500 crore companies, 5% are Rs 50 crore-100 crore companies and 20% are Rs 10 crore-50 crore companies. The bulk, 70%, are companies valued at less than Rs 10 crore.

In the disposables, consumables and surgical instruments segment of the market, Indian companies account for 50-60%. But, in all other segments indigenous companies account for barely 10-15%. MNCs like GE, Siemens and Philips also manufacture a few low-tech products in India, but these constitute less than 10% of their total Indian sales. Many MNCs have large production facilities in China and they would rather import from China and Brazil as Indian policies seem to favour imports. For instance, despite being the diabetes capital of the world with millions of diabetes patients, India is importing even simple devices like glucometers from Johnson and Johnson, Roche, Bayer and Abbott, which account for more than 95% of the glucometer market in India.

While Japan, Korea, Taiwan and many European countries have a thriving environment for small and medium-size industry, India is following the US model where MNCs dominate and grow by mergers and acquisitions. This may ultimately harm the interests of Indian consumers, warned Dr Rajiv Nath, forum coordinator of the Association of Indian Medical Device Industry (AIMED).

There are many other segments like orthopaedic implants, ICU equipment, dental implants and products and endoscopes where the import dependency is more than 90%. Though there are some serious indigenous efforts in the areas of laboratory medicine and ophthalmology, even these are said to be suffering due to their inability to compete with the MNCs due to inverted duty structures, multiple tax levies, lack of subsidies/incentives for exports like China/Brazil and the lack of marketing muscle power.

Business Standard

Date 30/09/2014
Page No. 07

Rice production in 2014 pegged at 88 million tonnes

Sowing area rises to 37.48 million hectares from 37.42 million hectares in 2013

BS REPORTER
New Delhi, 29 September

As the four-month southwest monsoon season comes to an end on Tuesday, sowing of major kharif crops has picked up pace with the total area crossing 100 million hectares in 2014, a tad lower than last year's 104 million hectares.

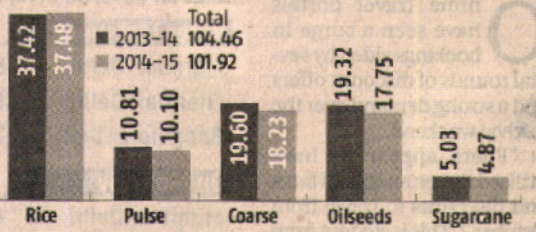
Area under rice, the main foodgrain grown during the kharif season, was estimated at 37.48 million hectares, more than 37.42 million hectares in 2013, when India received normal rains. According to officials in the know, the incremental rise in paddy area is because of basmati planting.

Rice production is estimated to be 88.02 million tonnes in 2014, four per cent less than last year's figure, the agriculture ministry's latest data showed.

This showed the yield declined moderately during the period.

The total kharif acreage this season was pegged at 101.92 million hectares, which is lower than the 104.46 million hectares acreage during the same time last year. Good retreating monsoon in some parts of north and central India boosted planting, officials said.

SOWING COVER (in million hectares)



Note: Total might not match as all crops have not been included
Source: Department of Agriculture

According to the government's first advance estimate, India's foodgrain production in 2014-15 kharif season is expected to fall by nine million tonnes to 120.27 million tonnes, compared to the same period last year, on account of uneven southwest monsoon in the first part of the 2014 season.

As on September 29, monsoon was about 12 per cent below normal, a big improvement from the 40 per cent deficit seen in July.

The biggest impact of erratic rains is expected to be on coarse cereals, pulses and groundnut.

The estimates show that coarse cereal production in the kharif season is expected to be around 27.05 million tonnes, against 31.25 million tonnes in 2013-14 - a fall of 13.4 per cent.

Production of pulses in the kharif season is expected to be 5.2 million tonnes against 6.02 million tonnes last year, while that of oilseeds is expected to be 19.66 million tonnes, down from last year's 22.40 million tonnes.

Meanwhile, the agriculture ministry data also showed that the area under cotton has also risen to 12.65 million hectares from 11.43 million hectares during the year ago period.

However, acreage of other major kharif crops as on September 26 is still lower than last year's level.

The area under coarse cereals currently stands at 18.23 million hectares, pulses at 10.10 million hectares, oilseeds at 17.75 million hectares, sugarcane at 4.87 million hectares and jute and mesta at 8.15 million hectares.

The Economics Times

Date 30/09/2014

Page No. 13

Govt Plans Smooth Sailing at Paperless Ports

Mechanism to cut costs, red tape will debut at JNPT's Nhava Sheva Container Terminal

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New Delhi: Taking a cue from the government's call to make it easier to do business in the country, ports under the shipping ministry plan to go paperless, a move that will not only reduce logistics costs but also cut bureaucratic delays faced by exporters and importers.

A senior government official said the idea is to do away with the requirement of manual stamping at each point for moving containers, which adds to delays in cargo evacuation.

The new mechanism will first be tried out at the Nhava Sheva Container Terminal at Jawaharlal Nehru Port Trust over the next two months. If successful, the 'go-paperless' initiative will be extended to all the other major ports under the shipping ministry, the official said.

"Congestion is a big problem. If trucks can simply drive through once customs have given the clearance, then it will solve a lot of problems," the official said.

The move will have a direct impact on the efficiency of ports, which have been trying to mechanise operations for long. Once a system is put in place, then the evacuation time per container will go down to 15 seconds from 4-5 minutes, which will bring down the logistics costs in the long run. Besides, automated system will ensure transparency and curb any unnecessary payments that traders might have to make to get their trucks moving.

Ports in Singapore, Antwerp, Brisbane and London already have complete automation

"This is a delayed but much desired decision," said Ajay Sahai, director-general and CEO of Federation of Indian Export Organisations (FIEO). "While customs and banks are on Electronic Data Interchange mechanism, shipping hasn't come on board yet completely."

According to FIEO, the initiative will bring down transaction costs by 2-3%, which will accrue benefits of $16-24 billion. Under the new system, a container will not require a "gate pass" to be transferred from one point to the other. A simple electronic message by customs will be enough for smooth passage through the remaining stops in the journey.

The shipping ministry is also in the process of upgrading software of the existing port community system to achieve seamless connectivity between different points. At present, all cargo requires dock receipt, customs clearance, mate receipt by the shipping line and finally the bill of lading, saying the goods have been put on board. "Nhava Sheva is in a mess," said a senior port executive.

Anchors Away

Ports have long been trying to mechanise ops

New automated system will ensure transparency

Logistics costs slip as unnecessary payments are avoided

Upgraded port software will give seamless connectivity

4-5 minutes is current evacuation time per container

15 seconds is what the new evacuation time is expected to be

FIEO says transaction costs will decrease by 2-3%

This is expected to bring savings of $16-24 billion

The Pioneer

Date: 30/09/2014
Page No. 05

DoPT to officials: Ensure 'knowledge continuity'

PNS ■ NEW DELHI

The DoPT has directed officials to cultivate the habit of leaving a note for the successor before moving out

With Prime Minister Narendra Modi focusing on the need for re-institutionalising the modus operandi of Indian bureaucracy, the Department of Personnel and Training (DoPT) has directed the officials to cultivate the habit of leaving a note for the successor before moving out.

The practice of leaving a 'note for the successor' was highlighted by Modi during the presentation of the Ministry of Personnel, Public Grievances and Pensions on June 12. The DoPT in its latest order has asked officials to ensure "knowledge continuity" and "building of institutional memory" to provide a note for their successors detailing the work done by them when they leave the seat, get transferred or demit office.

"A new employee will take time to understand issues of current importance, appreciate urgency of actionable points, recognise strengths and weaknesses of different subordinates for suitable work allocation, and comprehend critical issues by trial and error. This time spent in negotiating the way in a new environment, spent in trial and error, may turn out to be the critical difference between success and failure of the unit, the department or even the organisation," the DoPT said in an order.

The DoPT reminded that such a practice used to be in vogue in the Government but of late it kept ignored and thus the issue has been reviewed and made mandatory. The order stressed on the need of knowledge continuity during transition of employees.

"All employees have invaluable knowledge of their areas of responsibility. Such innate knowledge is at risk of getting lost when the incumbent leaves the seat, which is being unavailable for discharge of duties for a length of time, gets transferred or demits office," mentioned the order.

"Problem of knowledge continuity can be significantly tackled if incumbent employee, with the overall goal of success of the organisation in mind, considers the successor as a part of the same team and transfers the knowledge that he or she considers critical. Such knowledge transfer can be by personal interaction and briefing," it further said.

CHECKING DISASTERS

Two new NDRF battalions to be raised, says Rajnath

Union Home Minister Rajnath Singh addresses a function of the National Disaster Management Authority in New Delhi on Monday PTI

'The NDMA would also be revamped'

PNS ■ NEW DELHI

Union Home Minister Rajnath Singh on Monday stressed the need for revamping the National Disaster Management Authority (NDMA) and National Disaster Response Force (NDRF). Appreciating the commendable work done by the agencies during various calamities over the years, Singh said the Government has decided to strengthen the NDMA.

The Home Minister also announced the raising of two new battalions of NDRF. One battalion will have 2,000 personnel. "We have decided to restructure the NDMA. It has to be revamped. We have almost completed the revamping and restructuring work," he said addressing a function organised on the occasion of the foundation day of NDMA.

Singh said the initiative to revamp NDMA has been taken with the guidance of Prime Minister Narendra Modi. Government has already downgraded the posts of the vice-chairman of NDMA from the rank of Union Cabinet Minister to the Cabinet Secretary. The status of the members of the NDMA has also been reduced from the rank of the Union Minister of State to the Secretary of the Union Government. The Prime Minister is the Chairman of the NDMA.

Referring to the total collapse of communication network during recent floods in Jammu & Kashmir, the Home Minister said a new uninterrupted communication network will be set up in the country for smooth functioning during emergency situation.

"A new mechanism is being developed and we will soon come up with a new uninterrupted communication network," he said.

The Tribune

Date: 30/9/2014
Page No. 14

Government cancels SEZs of Hindalco, Essar, Adani

NEW DELHI, SEPTEMBER 29

The government has cancelled approvals of nine special economic zones (SEZs), including that of Hindalco Industries, Essar and Adani, as no "satisfactory" progress was made to execute the projects.

The decision was taken in the meeting of the Board of Approval (BoA) headed by Commerce Secretary Rajeev Kher on September 18. "The Board noted that the progress made by the following developers/co-developers is not satisfactory. The Board, after deliberations, decided to cancel the formal approval/notification/co-developer status, as the case may be, in 9 cases," the Commerce Ministry said.

It said the developers have to refund the duty benefits availed by them.

"The approval is subject to the Development Commissioner furnishing a certificate... that the developer has not availed any tax/duty benefits under SEZ Act/Rules or has refunded any such benefits availed by it and subject to the state government furnishing it's no objection certificate to the proposal," it added.

Hindalco Industries had proposed to set up an aluminium product SEZ in Orissa. The formal approval to the developer was granted in July 2007. The developer was granted extension from time to time and the last extension granted expired on December 31, 2013.

Essar Jamnagar SEZ Ltd, which had proposed to set up a multi-product zone in Gujarat, got formal approval in August 2006. It was expired in August 2009. The developer did not make any request for further extension of approval.

Similarly, Adani Townships & Real Estate Company Ltd had proposed an IT/ITeS zone in Gujarat. The BoA granted formal approval in June 2007, which expired in June 2010.

The developer had reported that they could not proceed with the SEZ project due to adverse demand scenario from IT sector and accordingly they are not interested in perusing the project.

The other developers whose SEZs were cancelled include Chennai Business Park, Integrated Warehousing Kandla Project Development and Gujarat Industrial Development Corporation.

As per SEZ rules, formal approval is valid for a period of three years, by which time at least one unit has to commence production and the zone becomes operational from the date of commencement of such production.

Provision to this rule provides for extension of this formal approval by BoA, for which the developer will submit his application to the concerned DC, who shall, within 15 days, forward it to the Board with his recommendations. — PTI

Unsatisfactory progress to blame

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- The zone becomes operational from the date of commencement of such production
- Hindalco Industries had proposed to set up an SEZ in Orissa and it got approval in July 2007
- It was granted extension from time to time and the last extension expired on December 31, 2013
- Essar Jamnagar SEZ Ltd got approval in August 2006. It expired in August 2009. The developer did not make any request for further extension
- Adani Townships & Real Estate Company had proposed an IT/ITeS zone in Gujarat. It got approval in June 2007, which expired in June 2010

The Financial Express

Date: 30/09/2014
Page No. 02

Govt to seek repeal of over 1,000 obsolete laws in winter session

fe Bureau

New Delhi, Sept 29: The government is planning to introduce a fresh Bill in the winter session of Parliament to repeal over a 1,000 archaic laws in the financial, social, land and infrastructure sectors.

Union law minister Ravi Shankar Prasad told reporters at an informal meet that there was a need to ensure that redundant laws like Bengal District Act, which dates back to 1836, Bengal Bonded Warehouse Association Act (1838), Sheriffs' Fees Act (1852), Dramatic Performances Act (1876), etc, are repealed to be in consonant with modern times.

In the next session of Parliament, 287 obsolete laws and amending Acts will be proposed to be repealed. Out of 72 obsolete statutes recommended by the Law Commission for repeal, 35 are the Central Acts and 22 are State Acts.

According to the law minister, nearly 700 Appropriation Acts are pending for the past several years where no follow-up action has been taken. While in England, such Acts remain in force only for 3-4 years, in India, any legislation passed by Parliament remains valid unless repealed, he told reporters.

The NDA government had already introduced a Bill in the Lok Sabha during the Budget Session for repealing 32 Acts. The Repealing and Amending Bill, 2014, seeks to remove certain Amendment Acts and Principal Acts from the statute books as they have outlived their utility.

Prasad has also written to chief justices of all high courts to monitor cases relating to sitting MPs and MLAs against whom charges have been framed for the offences specified under Section 8 of the Representation of People Act, 1951.

Pointing to the recent direction of the Supreme Court that trials in respect of MPs/MLAs, women, elderly persons, children and disabled should be decided speedily, Prasad has urged HC chief justices to evolve a suitable mechanism to monitor such cases so that the directions of the apex court are complied with by the trial courts in letter and spirit.

Meanwhile, sources in the law ministry said West Bengal chief minister Mamata Banerjee has, in a letter to the law minister, said the Centre should clearly mention in National Judicial Appointments Bill that the governor will have to follow the advice of the state government in the appointment of high court judges.

Banerjee's communication has come in response to a letter written by Prasad to all chief ministers requesting them to ratify a constitutional amendment Bill to make way for the proposed commission for appointment of judges to the higher judiciary. Once the commission is put in place, it will scrap the present collegium system.

According to the law minister, nearly 700 Appropriation Acts are pending for the past several years where no follow-up action has been taken

The Bill makes it clear that the views of the chief minister will be sought in writing and "the role of the governor has to be seen in the constitutional sense. The law minister had clarified on the issue while replying to the debate on the Bill in Parliament," a senior law official said.

In August, Parliament had passed a Constitution amendment Bill that will facilitate setting up of a commission for appointment of judges, replacing the 20-year-old collegium system which has been under severe criticism.

The Bill will make way for the setting up of the National Judicial Appointments Commission (NJAC), which will appoint and transfer judges to the Supreme Courts and the 24 High Courts. While the Rajasthan Assembly has already ratified the Bill, other states are likely to take up the exercise in October and November when their assembly sessions commence.

The Financial Express

Date: 30/09/2014
Page No. 02

For India & Israel, sky is the limit

New York, Sept 29: Prime Minister Narendra Modi and his Israeli counterpart, Benjamin Netanyahu, met on Sunday in the first interaction between the premiers of the two countries in 11 years with the leader of the Jewish state saying that "sky is the limit" for bilateral relations

The meeting took place at New York's Palace Hotel on the sidelines of the UN General Assembly during which Modi and Netanyahu discussed a wide range of issues including defence cooperation and the situation created by the Islamic State (IS) in West Asia. Both the leaders are staying at the Palace Hotel.

Prime Minister Narendra Modi greets Israel's Prime Minister Benjamin Netanyahu in New York on Sunday

During the 30-minute meeting, Netanyahu invited Modi to visit Israel at an early date.

Netanyahu recalled that Modi had come to Israel in his earlier capacity as chief minister but he now hopes that he could visit as Prime Minister, external affairs ministry spokesperson Syed Akbaruddin said. Modi had visited Israel in 2006.

The spokesperson said Modi has taken note of the invitation and this would be discussed further through diplomatic channels. He said the two leaders discussed ways to enhance economic cooperation and Israel offered expertise in water management and other agricultural-related areas.

India and Israel have a very robust relationship and currently bilateral trade stands at approximately $6 billion. *PTI*

The Economic Times

Date: 30/09/2014
Page No. 06

Merger of PIO, OCI Schemes to Take Time

CLARIFIED Merger of the two schemes would not lead to dual citizenship project in the near future

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New Delhi: Prime Minister Narendra Modi's promise to merge the scheme for persons of Indian origin (PIOs) with that for overseas citizen of India (OCIs) will take some time to fulfil.

The government will take inputs from security establishments and plug any loophole before going ahead with the merger of the two schemes, which will make it easier for PIOs to travel and stay in India, officials said.

"The idea is to plug all loopholes before merger of the schemes to prevent any security fallout later," an official told **ET**.

The country's security establishment and Bureau of Immigration would provide inputs on any security implication that the merger may have.

Sources also clarified that the merger of the two schemes would not lead to dual citizenship project in the near future. "There is no such plan in the offing by this government," an official said.

Former foreign secretary Kanwal Sibal said: "There was confusion over PIO and OCI cards and there it was decided to merge them. However, dual citizenship has dangerous ramifications in a South Asian context with People of Indian Origin in Nepal, Bangladesh and Sri Lanka. This will complicate the situation."

PIO cards are issued to Indians who have been staying abroad for couple of generations while OCI cards are given to more recent migrants who have taken citizenships in other countries. Currently PIOs travel to India on visas with specific timeframe and they need to visit a foreigner regional registration office (FRRO) or a police station to extend visa while OCI card practically enables its holders to enter the country for an indefinite period.

Once the two schemes are merged, PIO cardholders will get the benefits extended to OCIs, such as visa-free travel to India, rights of residency and participation in business and educational activities in the country.

Govt sources said they are hopeful that as reciprocal gesture the US will offer India a membership in its 'Global Entry' trusted traveller network programme

The previous UPA government had first announced a plan to merge the two schemes within two years after returning to power in 2009, but failed to implement it.

Modi — who had received huge support from PIOs and OCIs in the US in the run-up to the elections — had directed his office to pay attention to the issue soon after taking over as the prime minister, sources said.

Modi, who made the announcement before thousands of Indian Americans during his Madison Square Garden address on Sunday, had also said his government will look at providing long-term visas to US nationals touring India. He also said American tourists will soon start getting visa on arrival.

Government sources said they are hopeful that as a reciprocal gesture the US will offer India a membership in its 'Global Entry' trusted traveller network programme when Modi meets President Barack Obama.

'Global Entry' will ensure that Indian citizens arriving in America will get speedier immigration and custom clearance using automated kiosks placed at major airports, provided they are pre-approved for availing the benefit of the special arrangement.

The US at present provides the speedier clearance under the Global Entry programme only to citizens of Mexico, South Korea, the Netherlands and Canada.

The Economic Times

Date: 30/09/2014
Page No. 06

Modi's 10-Trillion-Dollar Breakfast With US CEOs

PM asks American investors & financiers to shed any fears they might have about investing in India

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POWER MEETING

CAPTAINS OF THE INDUSTRY Prime Minister Narendra Modi (right) during a breakfast meeting with American CEOs in New York on Monday

New York: Prime Minister Narendra Modi had a $10-trillion Monday morning as he pitched India to some of the largest global investors and financiers, asking them to look afresh at the country and urging them to shed any fears that they might have developed about investing in the country in recent years.

After storming Madison Square Garden on Sunday, Modi kicked off one of the most extensive interactions between the American business community and the Indian government ahead of his meetings with President Barack Obama.

Over a series of one-on-one meetings and a power breakfast, Modi met the top bosses of financial biggies such as BlackRock's Laurence D Fink, Lloyd Blankfein of Goldman Sachs and KKR's Henry Kravis, and CEOs of manufacturing firms, such as Boeing's James McNerney, Jeffrey Immelt of General Electric and IBM's Virginia Rometty.

Other top executives he met included Eric Schmidt (Google), Kenneth Frazier (Merck), David W Maclennan (Cargill), Andres Gluski (AES), David M Rubenstein (Carlyle Group), Douglas Oberhelman (Caterpillar), Charles R Kaye (Warburg Pincus), Michael L Corbat (Citigroup), as well as India-born Indra Nooyi of PepsiCo and Mastercard's Ajay Banga — all of whom together control companies with revenues worth an aggregate $10 trillion.

PepsiCo CEO and chairperson Nooyi said US industry was "very happy" to be working with a PM who answers questions brilliantly and is focused on improving the country.

In response to Modi's call for investment in India, Blackstone is set to organise a global investors' summit in India early next year.

The PM highlighted his government's focus on creating a predictable and stable investment climate and making it easier to do business in India, a fact he repeated several times during his breakfast meeting with the CEOs in a bid to allay one of the biggest concerns of investors. "I did it in Gujarat, and I will do it in India as well," the PM told the American corporate honchos present at the meeting.

"The PM had an extremely constructive dialogue with every CEO in the room, listening intently, engaging them and responding to their specific concerns," Mastercard CEO and president Ajay Banga, who was present at the breakfast meeting, told **ET**. "The PM demonstrated his focus on building a roadmap to show he is serious about changing things and executing them," Banga added.

Retrospective rule changes have scared away companies, despite India's tremendous market potential. Difficulties in acquiring land to set up shop, complex regulatory requirements and woeful infrastructure have also left investors cold.

"India is open-minded. We want change. Change that is not one-sided," a tweet from foreign ministry spokesperson Syed Akbaruddin cited the PM as saying. "Want to convert the Supreme Court judgement on coal allocation into an opportunity to move forward & clean up the past," another tweet read, highlighting the government's resolve to fight corruption, another big concern for foreign investors in India.

Boeing CEO McNerney told the PM that the plane maker wants to accelerate engagement with India, Akbaruddin said. IBM's Rometty discussed software for Modi's smart city and Digital India initiatives.

Modi highlighted the 'Make In India' campaign he launched just before leaving for the US and urged US businesses to invest in infrastructure, manufacturing and the services sectors. "Make in India is about clear policies and willingness to execute, the PM told us, and talked about his attention to generating jobs and improving the quality of life in India. For this, he needs manufacturing, infrastructure and tourism to grow," said Banga.

'MODI IN AMERICA' GOES VIRAL

Prime Minister Narendra Modi's grand show at the Madison Square Garden in New York on Sunday – where some 18,000 well-off Indian-Americans went on shouting 'Modi, Modi, Modi' – was even grander on the social media where the India PM's fan base is growing by leaps and bounds day by day

900 million
Number of social media accounts where #MakeInIndia found a mention

Google

99.9 million
Search results for Narendra Modi on Google on September 27

17.1 million
Search results for Narendra Modi on Google on September 28

Facebook

22 million
Likes on Modi's Facebook page, up from 12.46 million on April 7, the first day of Indian general elections

Twitter

6.69 million People following Modi on Twitter

77,000 Times 'Modi in America' was tweeted on Sept 27

41,000 Times 'Modi at UN' was tweeted on Sept 27

1 million Total impressions* at Twitter tag #ModiAtMadisson

1.52 lakh Times Modi was mentioned on Sept 27

25,000 Times @PMOIndia was addressed

1.43 lakh Times 'Modi at Madison' was mentioned on Sept 27

75 tweets/minute Tweets with hashtag #ModiInAmerica during his speech at Madison

25,000 Times 'Modi in US' was mentioned on Sept 27

75,000 Times @Narendra Modi was addressed

3.68 lakh Times Modi was mentioned in past 7 days

67 million Followers of #MakeInIndia announcement

* Total number of tweets, including repeats, delivered to timelines
Source: Simplify360, a Bangalore-based social business intelligence company

Data by Varuni Khosla

Business Standard

Date 30/09/2014
Page No. 05

Russia, central Asia new frontiers for Indian firms

JSW Steel to construct and operate steel mill in Georgia, Tata Tea buys controlling stake in Russian packaging and distribution company

ISHAN BAKSHI
New Delhi, 29 September

EBRDs INVESTMENTS WITH INDIAN FIRMS

Company	Country	Amount	Type of EBRD financing
Tata Power	Georgia	$86.5 mn	Senior loan
SREI Infrastructure Finance	Russia	€ 6.5 mn	Loan and equity investment
Tata Tea	Russia	$13.2 mn	Loan and equity investment
JSW Steel	Georgia	€ 28 mn	Senior loan

Source: European Bank for Reconstruction and Development (EBRD)

That Indian companies have forayed into developed markets such as the US and western Europe is known. What isn't is the fact that, companies such as JSW Steel, Tata Power and Srei Infrastructure are now stepping up operations in central Asia and Russia. While JSW Steel has entered into a venture to construct and operate a steel mill in Georgia, Srei Infrastructure has expanded its operations in Moscow to enhance its leasing portfolio and reach more local companies. Tata Tea has acquired controlling stake in a Russian packaging and distribution company.

For these companies, a key challenge is access to low-cost long-term financing, especially in countries perceived as risky. Seshagiri Rao, joint managing director and group chief financial officer, of JSW Steel, said, "JSW Steel wanted to set up a steel plant in eastern Europe to take advantage of the growing demand for steel, but faced difficulties in raising funds. Initially, commercial banks were sceptical and considered it too risky an investment."

It was then that European Bank of Reconstruction and Development (EBRD) stepped in. The bank, which has an 'AAA' rating, can borrow funds at low rates and use these for projects perceived as risky.

Sunil Kanoria, vice-chairman and non-executive director of Srei Infrastructure Finance, said once EBRD stepped in, "it is easier to get financing because of their validation". The bank has also helped finance Lakshmi Mittal's operations in Kazakhstan, Romania, Ukraine, Macedonia, etc.

Riccardo Puliti, managing director (energy and natural resources), EBRD, said, "There are opportunities for India to export technology, engineering manpower and capital" to central Asia and other parts of the former Soviet Union. "The old Silk Road is culturally and physically close to India. For India, there countries are good neighbours to have," he said at an event here on Monday.

"As Indian companies are increasingly expanding their global footprint, EBRD is a source of long-term funding and providing local knowledge to companies," says Nandita Parshad, director (power and energy utilities), EBRD. "Indian companies could use countries such as Egypt and Romania as a springboard to enter other markets," she adds.

. Since 2004, the EU-Egypt association agreement has helped establish a free-trade area, with no tariffs on industrial products and significant concessions on agricultural products. By setting up manufacturing facilities in Egypt, Indian companies can access the European market at zero tariffs in particular product lines. While the EBRD's operations initially centred on Russian and Western European countries, it expanded these to include Turkey and Mongolia and, recently, West Asia. Though EBRD doesn't operate in India, it partners Indian companies in countries in which it operates.

Business Standard

Date 30/09/2014
Page No. 04

Modi visit to give Indian green energy $1-bn push

SHREYA JAI
New Delhi, 29 September

The clean energy sector in India will be one of the first sectors that would benefit during Prime Minister Narendra Modi's US trip. The sector awaits investments worth about $1 billion from US companies.

To finance sourcing of components from the US for Indian renewable power project developers, IREDA (Indian Renewable Energy Development Agency) and the US Exim Bank would sign an agreement. The financing would span over 18 years.

Officials close to the development said the agreement would be signed during Modi's visit to the US. "This amount would be extended as tied loans on a project-to-project basis. There would be a fine balance for all kinds of renewable-based power projects. Though the major import from the US is solar panels, loans are likely to give much-needed push to solar power project development," said a senior official.

The rider, however, is that 30 per cent of the total equipment in the power project should be domestically sourced. Confirming the development, K S Popli, chairman and managing director, IREDA, said, "The loan amount of up to $1 billion is extended by the US Exim bank to IREDA for disbursal to grid-connected projects. Though there is no sovereign guarantee that comes with the loan but it would be extended to anyone who wants to set up a renewable energy-based power project with equipment sourcing from the US."

The country aims to add about 4,500 Mw of solar power capacity during the current financial year to the existing capacity of 2,600 Mw. The manufacturing capacity of solar panels in the country, however, is just 1,500 Mw. To invite global players to the country, the ministry of new and renewable energy would also host the first-ever renewable energy global investment promotion meet in February next year. This goes well with the mega 'Make in India' plan of the government to boost manufacturing in the country.

While wind turbines in the country are mostly domestically sourced, 70 per cent of its solar capacity is based on imported content, mostly from China and the US. The government recently quashed the imposition of dumping duty on imported solar cells and modules from the US, China, Malaysia and Taiwan.

Domestic solar cells and module makers had contested in 2012 that cheap imports are killing the indigenous industry.

RENEWABLE IMPETUS

- $1 billion agreement between US Exim Bank and IREDA
- IREDA develops and extends financial assistance for renewable energy projects
- Aid to buy equipment for renewable projects from the US
- Projects need to have 30% locally sourced equipment
- Major impetus to solar power which imports largely from the US

State Govts must reform to benefit from Central initiatives: Mayaram

Fiscal consolidation on track; moving to a regime of lower interest rates

OUR BUREAU

Chennai, September 29

State Governments have to implement reforms to fully exploit the opportunity presented by the Central Government's initiative to create an investment-friendly climate, according to Arvind Mayaram, Secretary, Department of Economic Affairs.

Sparking growth

While the Centre can address the overall economic environment, actual investments happen at the State-level and spark real economic growth. With the fiscal consolidation process firmly on track, the country can reach 7 per cent growth in three years.

Addressing the annual day function of the 178-year Madras Chamber of Commerce and Industry, he said State governments must create a facilitating environment for growth.

The Centre will request States to introduce self-certification or third-party inspection in place of government inspections of commercial enterprises to bring down paperwork, he said.

Changes are also needed in a range of areas such as provident fund, labour and factory laws. Government inspections will have to come down because the bureaucracy simply cannot cope with the volume of work associated with 7-8 per cent growth, he said.

The industry too should reciprocate with increased compliance.

India is on track in fiscal consolidation by controlling fiscal and current account deficits and reining in inflation. Standard & Poor's, which had downgraded India to negative a couple of years back, has restored the rating to 'stable' following the Government's commitment to reforms and fiscal consolidation. The Government is confident it can sustain a growth rate of about 5.7-5.9 per cent, which will mean a further upgrade and restoration of investor confidence.

Overall, the country is moving towards a regime where interest rates must come down 'sooner rather than later,' he said.

Arvind Mayaram, Secretary, Dept of Economic Affairs. BIJOY GHOSH

Medical regulatory bodies under the lens

Harsh Vardhan says the aim is to end corruption, inefficiency

OUR BUREAU

New Delhi, September 29

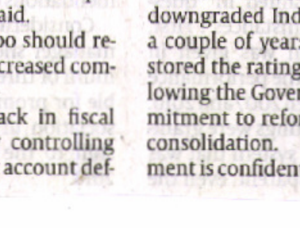
The various regulatory bodies governing medical practice, doctors, dentists and nurses, are likely to come under scrutiny, Harsh Vardhan, Minister of Health and Family Welfare, said on Monday.

Vardhan said he aimed to end the corruption and inefficiencies within the Medical Council of India, Dental Council of India and Indian Nursing Council.

High-level committees are looking into the structure, system and laws governing these councils. Vardhan has promised "radical changes" in them soon.

Disease eradication

The Medical Council of India has recently been caught in the crossfire over corruption charges, overlooking ethical conduct of doctors' associations and other issues.



Harsh Vardhan

Vardhan also said that the Ministry is seeking to eradicate Kala Azar from the country by 2015.

The Minister said that the Indian Council for Medical Research has developed a non-invasive diagnostic kit for dealing with the disease, the incidence of which is prevalent in four States.

Measles and leprosy are among the other diseases that the Ministry aims to deal with on a priority basis. The Minister added that the Government is holding consultation meetings with at least 12 Chief Ministers to establish more AIIMs-like institutes.

Research focus

He added that health-related research will be a top focus for the government in all areas — rural health, vaccination, communicable/non-communicable diseases, nano-technology, molecular biology and others.

While talking about the achievements, Vardhan said his Ministry is working on a roadmap for the Universal Health Assurance Mission, under which the 50 essential drugs, 30 Ayush drugs and certain diagnostic services would be assured to the citizen.

A free insurance scheme would be integrated into this for those below the poverty line, while the rest of the population will have to pay a "low premium," Vardhan said.

Editorial Statesman.

Justice triumphs

The conviction of Ms Jayalalithaa in the Rs 66.65-crore disproportionate asset case, after an 18-year-long legal battle, once again establishes that "be you ever so high, the law is above you." The first serving Chief Minister of a State to be convicted under the Prevention of Corruption Act, she has been sentenced to four years' simple imprisonment and a fine of Rs. 100 crore. As a result, she ceases to be a member of the Tamil Nadu Assembly and has lost her position as Chief Minister. Also, she is disqualified from contesting any election for the next 10 years unless her conviction is overturned by higher judiciary. During her epic legal battle, she and her co-accused, foster son V Sudhakaran, live-in companion Sasikala Natarajan and J Ilavarasi, had filed more than 1,000 petitions and appeals with a view to prolong the trial. Special Judge John Michael Cunha, who brought the trial to conclusion, withstood tremendous pressure from different quarters, political, legal and religious, and was of the view that such serious charges of corruption in high places should be dealt with strictly. Lest one thinks the fine of Rs. 100 crore on Jayalalithaa and Rs. 10 crore each on the other three accused imposed by Judge Cunha is excessive, it should be noted that the Rs 66.65-crore disproportionate asset is worth thousands of crore today. To give just one example of property acquired during her first term as Chief Minister, the 898-acre Kodadnad estate in the Nilgris, according to the government's guideline value, costs Rs 3 crore an acre, which works out to nearly Rs 2,700 crore. The market value is Rs 4,500 crore.

While it is too early to write off the political career of 66-year-old Jayalalithaa, her conviction and resultant disqualification from contesting election has opened the field for an alternative force to emerge in Tamil Nadu. People of the state are disillusioned with both the DMK and the AIADMK, ruling the State alternatively since 1967. The CPI and the CPI-M, like the Congress, have been content with taking piggyback rides on one of the two Dravidian parties for a few seats rather than charting a course of their own. That leaves the field open for the BJP which too was keen on forging an alliance with Jayalalithaa in the recent Lok Sabha election. Because of her own prime ministerial ambitions she faced the electorate on her own strength and emerged with 37 of the 39 seats. As the AIADMK enjoys an overwhelming majority in the Assembly, Jayalalithaa will continue to rule Tamil Nadu from wherever she is. As the Supreme Court had ruled out suspension of conviction pending appeal even if imprisonment is suspended, the AIADMK will face the 2016 Assembly election without the benefit of her leadership. It opens up the possibilities of a non-Dravidian party government for the first time in half a century in Tamil Nadu.