



RGICS POLICY WATCH



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- Case Studies on Public Policy Decision Making
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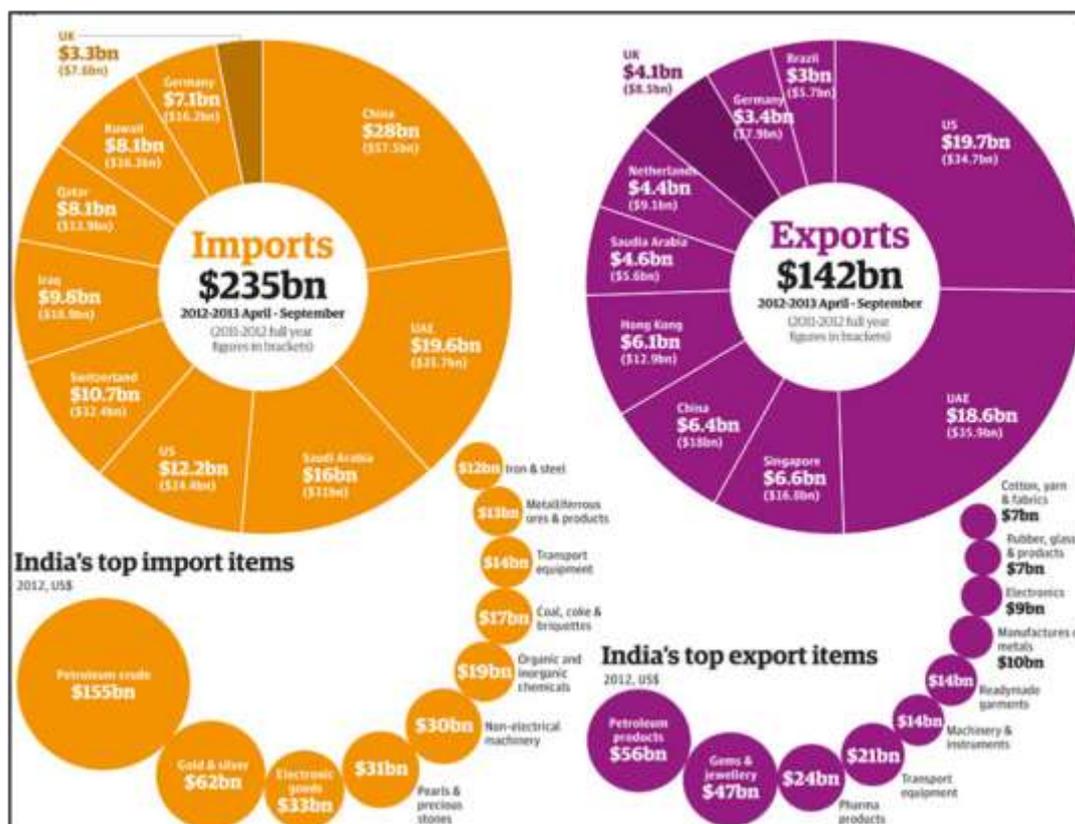
- Legislative brief on National Identification Authority India Act, 2010
- Background Paper on Protection of Street Vendors

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- India Signs Asean Trade Deal
- India, Germany Plan Roadmap for Cooperation in Skill Development

Disclaimer: The articles are summaries of the original article and the headlines have been changed in certain cases. For the original articles please click on the link given below the article.

India's Merchandise Exports & Imports: An Overview of Trends & Policy Issues



Source: <http://www.theguardian.com/news/datablog/2013/feb/22/cameron-india-trade-exports-imports-partners>

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Key Message

Policy Watch is a key instrument of RGICS's vision and strategy.

RGICS's core vision is opening up the Indian state to peoples' voice -- in its legislative, executive and judicial functions.

Elected representatives and political parties have a central responsibility in channeling peoples' voice into the functioning of the State. In turn, this requires enhancing the knowledge and capacity of elected representatives and political parties on State policy.

Policy Watch informs elected representatives and other political leaders about key policy developments nationally and globally. This will enable them to intervene in policy decision making and reflect people's voice.

Produced by a dedicated and talented team of scholars at RGICS, led by our young RG-RALs, Policy Watch is a unique product that presents information and analysis about policy for a political audience. Policy Watch has by now covered over a thousand policy issues.

Team RGICS

India's Merchandise Exports & Imports: An Overview of Trends & Policy Issues

Current Global Economic and Trade Situation

Since 2008, there have been continuous instances of shocks experienced by the world economy. Though there was recovery noticed in the global economy, but with an ironical situation evolving, where asymmetrical paths were taken over by developed and developing nations. On the one side, developing countries were leading to the recovery and on the other side, developed countries like US and Euro Area countries were facing unemployment and recessionary trends. In last few years, IMF's World Economic Outlook has lowered its earlier estimate in each update, whereas January 2014 has been an exception in that. While China's projections have been lowered both for 2014 and 2015, India's performance is relatively better with projections remaining unchanged both for 2014 and 2015. Table 1 reflects the projects for global economy, India, China etc.

Table 1: GDP growth and trade

	Actuals		Projections		Diff. from April 2014 Projections	
	2012	2013	2014	2015	2014	2015
World Output	3.5	3.2	3.4	4.0	-0.3	0.0
Advanced Economies	1.4	1.3	1.8	2.4	-0.4	0.1
United States	2.8	1.9	1.7	3.0	-1.1	0.1
Euro Area	-0.7	-0.4	1.1	1.5	0.0	0.1
Emerging Mkt. and Developing Economies (EMDEs)	5.1	4.7	4.6	5.2	-0.2	-0.1
Emerging and Developing Asia	6.7	6.6	6.4	6.7	-0.2	-0.1
China	7.7	7.7	7.4	7.1	-0.2	-0.2
India	4.7	5.0	5.4	6.4	0.0	0.0
World Trade Volume	2.8	3.1	4.0	5.3	-0.3	0.0
Imports- Advanced Economies	1.1	1.4	3.5	4.6	0.0	0.1
EMDEs	5.7	5.7	4.7	6.4	-0.3	0.1
Exports *- Advanced Economies	2.1	2.3	4.2	4.8	0.2	0.1
EMDEs	4.2	4.4	5.0	6.2	-0.4	-0.1

Source: IMF, World Economic Outlook Update, July 2014. Note: *-based of IMF WEO, April 2014

India's Export Trends

India has witnessed a rise in its exports over the last two decades. Exports have increased from US \$17.9 billion in 1991-92 to US \$83.5 billion in 2004-05 and further to US \$312.6 billion in 2013-14. Similarly, the share of India's merchandise exports in the world exports has increased from 0.5 per cent in 1991 to 0.8 per cent in 2004 and 1.7 per cent in 2013. India's greater integration with the world economy was reflected by the trade openness indicator, the merchandise trade to GDP, which increased from 14.3 percent of GDP in 1991-92, to 28.2 in 2004-05 and further to 41.8 percent of GDP in 2013-14.

Apart from rise in the exports, there has been a continuous compositional change noticed in India's export basket over the last 15- 20 years with petroleum products coming to the top position among the top 6 export sectors with 20.1 per cent share in 2013-14 and textiles relegated to the sixth position with 9.7 per cent share. The top 6 sectors petroleum products, engineering goods, chemicals and related products, gems and jewellery, textiles and agriculture and allied sector continue to dominate India's export basket. They account for nearly 87 per cent of total exports of India in 2013-14, as against 82 per cent in 2004-05. But, electronic goods though an important item in world exports still has a small share of 2.5 per cent.

Table 2: Share and growth of exports

Commodity	Share			CAGR		
	2004-05	2008-09	2013-14	2004-05 to 2008-09	2009-10 to 2013-14	2004-05 to 2013-14
a) Plantation	0.8	0.6	0.5	13.7	10.9	10.5
b) Agri. & allied products	7.5	7.1	10.3	23.3	26.3	19.9
c) Marine products	1.7	1.2	1.6	1.6	24.4	14.9
d) Ores & minerals	6.1	4.9	1.8	11.7	-10.5	1.1
e) Leather and manufactures	2.9	1.9	1.8	10.3	14.0	10.0
f) Gems & jewellery	16.5	16.3	13.1	19.9	9.0	12.9
g) Sports goods	0.1	0.1	0.1	9.2	13.8	9.8
h) Chemicals & related products	15.8	13.7	14.0	16.3	15.7	14.3
i) Engineering goods	18.4	18.2	19.7	27.4	17.3	16.7
i) Electronic goods	2.3	3.1	2.5	39.5	8.1	16.9
k) Project goods	0.1	0.1	0.0	17.3	-21.2	-6.8
l) Textiles	15.5	10.7	9.7	10.6	12.2	10.0
m) Handicrafts	0.5	0.1	0.1	-5.3	5.3	-3.4
n) Carpets	0.8	0.4	0.3	5.4	8.9	5.6
o) Cotton raw incl waste	0.1	1.1	1.2	61.8	15.3	50.0
p) Petroleum products	8.4	15.8	20.1	40.9	22.1	27.6
Total Exports	100.0	100.0	100.0	22.0	15.0	15.8

Source: Department of Economic Affairs, Ministry of Finance, GOI

India's Import Trends

Import growth decelerated sharply from 32.3 per cent in 2011-12 to 0.3 per cent in 2012-13 and fell to a negative -8.3 per cent in 2013-14, owing to fall in non-oil imports by 12.8 per cent. In 2014-15 (April-July), import growth has been negative at (-) 3.8 per cent. After registering negative import growth continuously for 12 months, import growth was positive in June and July 2014 at 8.3 per cent and 4.3 per cent respectively.

Petroleum, crude and products, machinery, gold and silver and electronics goods are the major items of import of India. The share of POL imports increased from 26.8 per cent to 36.7 per cent in 2013-14. Capital goods imports including machinery with shares of 13.0 per cent, 15.5 per cent and 11.9 per cent in 2004-05, 2008-09 and 2013-14 respectively grew by 39.3 per cent, (-) 3.9 per cent and (-) 14.7 per cent respectively. Within capital goods, import growth of machinery except electrical and machine tools and transport equipment fell by more than 10 per cent in 2013-14. However, the quantum of capital goods imports has actually increased in 2012-13.

Table 3: Share and growth of some selected import items

Commodity	Share			CAGR		
	2004-05	2008-09	2013-14	2004-05 to 2008-09	2009-10 to 2013-14	2004-05 to 2013-14
Fertilizers	1.2	4.5	1.4	77.6	-1.3	18.8
Edible Oil	2.2	1.1	2.1	8.3	13.6	15.9
Non-ferrous metals	1.2	2.0	1.2	46.4	16.1	17.2
Metalliferous ores & products	2.2	2.7	3.0	34.4	15.0	20.8
Iron & Steel	2.4	3.1	1.8	37.4	-1.0	12.8
Petroleum crude & products	26.8	30.8	36.7	33.1	17.3	20.9
Pearls, precious & semi-pre stones	8.4	5.5	5.3	15.6	10.2	10.9
Machinery	11.6	13.5	10.0	33.4	5.6	14.8
Coal, coke & briquettes	2.9	3.3	3.7	33.2	16.3	19.9
Organic & Inorganic chmls.	5.1	4.1	4.5	21.4	14.1	15.1
Artf.resins, etc.	1.3	1.3	2.0	28.6	16.2	22.6
Electronic goods	9.0	7.7	6.9	23.8	10.3	13.4
Gold & Silver	10.0	7.4	7.4	19.1	2.9	13.0
Total Imports	100.0	100.0	100.0	28.5	11.8	16.8

Source: Department of Economic Affairs, Ministry of Finance, GOI

While India's export growth rates (both goods and services) have been impressive before the global financial crisis, and moderate to low thereafter, the share of India's exports (merchandise) in world exports is still just 1.7 per cent in 2013. Thus we present here an overview of policy issues in this regard as highlighted by the authors of the working paper, 'India's Merchandise Exports: Some Important Issues and Policy Suggestions' of Department of Economic Affairs, Ministry of Finance, Government of India.

Policy Issues

The paper highlights the following policy issues in regard to India's export growth rates:

Product Diversification along with Market Diversification: While there has been market diversification and compositional changes in India's export basket, not much of demand-based product diversification has taken place. Most of the items in the top 100 world imports include the three Es— electronic, electrical, and engineering items— and some textiles items. A demand-based export basket diversification approach with a perceptible shift to the three Es could lead to greater dividends for India.

Export Infrastructure: Export infrastructure, particularly ports-related infrastructure, which affects trade, needs immediate attention. Port infrastructure issues include poor road conditions and port connectivity, congestions, vessel berthing delays, poor cargo handling techniques and equipment, lack of access for containerized cargo, and frequent EDI server down or maintenance, resulting in multiple handlings, increased lead time, high transaction costs, and thus loss of market competitiveness.

Focus on useful Regional Trading Arrangements (RTAs): Some FTAs/RTAs/CECAs of India have led to an inverted duty structure-like situation with import duty on some finished goods being nil or lower than the duty on raw materials imported from other countries. Besides, the domestic sector involving livelihood concerns has also been affected by some of them. Some such issues include imposing high duty on imports from India by Bangladesh on textile products, while imports from Bangladesh to India is at 'NIL' duty etc. There are also issues with some other non FTA/RTA countries where Indian Exporters face discrimination. E.g. imposition of 10 per cent import duty by China on Indian cashewnuts exports while Vietnamese exports enjoy 'Nil' duty. These are issues with different countries which need to be taken up with them at bilateral and multilateral forums. There is also need to have some useful FTAs, RTAs with countries like Chile which can help automobiles exports; with South Africa to help leather exports and with EU in the light of withdrawal of GSP benefits and to help sectors like textiles, coir, leather, etc.

Issues of Inverted Duty Structure: Inverted duty structure is making Indian manufactured goods uncompetitive against finished product imports in the domestic market. Under the inverted duty structure, finished goods are taxed at lower rates than raw materials or intermediate products which discourage domestic value addition. Manufactures like aluminum products, capital goods, cement, chemicals, electronics, paper, steel, textiles and tyres are subject to duty inversion.

Export Promotion Schemes: There is need to rationalize the export promotion schemes to a bare minimum which can also reduce transaction cost and trade litigations. There should not be many rates of concessions. This will make things simpler and limit discretionary decisions. Wherever tariffs are low or can be reduced, export incentives should be withdrawn as the transaction costs would be higher than the benefits owing to duty concessions.

Export Credit and related Financial Issues: Export credit as a proportion of net bank credit has declined from 9.8 per cent in March 2000 to 3.7 per cent in March 2013. India has been losing its export potential, due to paucity of export credit. Therefore, there is a need to strengthen export credit facilities in India. Some issues in this context include the charges by 72 banks for issuing e-BRC; and RBI conditions for banks for handling merchant trade transactions or intermediary trade that in case advance against the export leg is received by the merchanting trader, the advance payment has to be held in a separate deposit / current account in foreign currency or Indian Rupee, thus denying the merchant exporter access to these funds and raising the cost of exporting for the merchant exporter.

SEZ Issues: Investments into SEZs have slowed down, making it a major concern. Some other issues related to SEZs include the non-applicability of FTA concessions for SEZs' sales in DTAs; need to extend schemes under Chapter 3 like FTFS, FMS, special FMS and SHISS to units in SEZs etc.

Trade Facilitation (Documentation and Procedural Issues): Greater trade facilitation by removing the delays and high costs on account of procedural and documentation factors, besides infrastructure bottlenecks is another major challenge. As per the World Bank and International Finance Corporation (IFC) publication *Doing Business 2014*, India ranks 134 in the ease of doing business with Singapore at first place and China at 96. In trading across borders India ranks 132. India needs 9 export and 20 import documents, time to export is 16 days in India, cost of exports per container is US\$ 1170 in India, US\$ 460 in Singapore, and US\$ 620 in China and cost of imports per container is US\$ 1250 in India, US\$ 440 in Singapore, and US\$ 615 in China.

Table 4: Ease of Doing Business Index: Comparison

Countries	Rank (Ease of Doing Business)	Rank (Trading Across Border)	Number of Exports Documents	Time to Exports (days)	Cost of Exports (US\$ per container)	Number of Import Documents	Time to Imports (days)	Cost of Imports (US\$ per container)
Singapore	1	1	3	6	460	3	4	440
Denmark	5	8	4	6	795	3	5	745
Malaysia	6	5	4	11	450	4	8	485
France	38	36	2	10	1335	2	11	1445
Sri Lanka	85	51	5	20	595	7	17	775
China	96	74	8	21	620	5	24	615
Vietnam	99	65	5	21	610	8	21	600
Pakistan	110	91	8	21	660	8	18	725
Bangladesh	130	130	6	25	1075	8	35	1470
India	134	132	9	16	1170	11	20	1250

Source: Based on "Doing Business 2014" of World Bank and International Finance Corporation (IFC)

Tax / Tariff Issues: Some tax/tariff related issues include early implementation of goods and services tax (GST); stamp duty on imports at 0.1 per cent of c.i.f. value being collected on all imports into Mumbai and Nhava Sheva port; making VAT, duty drawback, or any other refund available within 30 days of claim; service tax on foreign bank charges for handling export documents; exemption of service tax on ECGC premium instead of refund etc. are some of the major concerns.

Intertwining of Domestic and External Sector Policy: While a stable agri export policy is needed, any domestic shortage or excess affects exports. Similarly external shortages/ excesses affect the domestic sector. So a smooth intertwining of domestic and external-sector policies particularly for agriculture related exports is needed.

Greater Role for States in Export Effort: Export sector should be accorded national priority sector and there should be greater involvement by the local and state governments while framing and implementing export policy. States need to play a greater role in the export effort as they are also the beneficiaries of the resultant development.

Role of Indian Missions in abroad in Export Promotion: India's foreign missions should also play an active role to facilitate India's exports. There is a need to reorganise these missions and make them active trade facilitators.

Effective use of Trade Fairs: India organises many trade exhibitions in India and abroad. While there is a need to evaluate the outcome of these trade fairs and expos organised by ITPO, there is also a need to make them more focused and result oriented. Some permanent exhibition centres of India in some important markets could also be set up.

Reality Check of EPCs: There are many export promotion councils (EPCs) and commodity boards (CBs) to help exports. The outcome of these EPCs and CBs needs to be evaluated and allocation of funds to EPCs should be based on a zero budgeting exercise. Merging some EPCs could also be thought of.

Transportation related Issues: Reforms related to transportation of goods for export and import can reduce a lot of costs for the exporters and importers. In this age of multimodal transport, there is a need to ease the existing restrictions on transportation and documentation through different modes of transport, particularly restrictions in the Customs Act which do not allow seamless movement of goods; and restrictions on free movement of cargo between Inland Container Depots (ICDs), Container Freight Stations (CFSs) and Ports.

Way Forward

The bunch of issues presented above, as highlighted by the author are just illustrative, but not exhaustive. If these and other such issues are addressed and the requisite policy are examined and implemented quickly, the wheels of exports can move faster taking us towards a higher growth trajectory.

Reference

India's Merchandise Exports: Some Important Issues and Policy Suggestions. (2014). Department of Economic Affairs, Ministry of Finance, Government of India. Retrieved from <http://finmin.nic.in/WorkingPaper/Working%20Paper%20on%20Trade%2028082014.pdf>

Prepared by: -
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Macro Economic Dimension of India: Inflation Rates for the Month of August, 2014

General Inflation Rates in Indian States: August, 2014 (%)

States	Rural	Urban	General
All India	8.33	7.04	7.86
Northern Region			
Jammu & Kashmir	7.39	6.16	6.97
Himachal Pradesh	8.15	7.03	7.93
Punjab	8.66	6.25	7.48
Chandigarh	7.15	8.03	7.98
Uttarakhand	8.89	5.57	7.73
Haryana	7.11	6.88	7.01
Delhi	5.72	5.67	5.67
Uttar Pradesh	8.93	7.78	8.84
Western Region			
Rajasthan	9.61	7.27	8.76
Gujarat	7.53	5.96	4.29
Maharashtra	6.78	2.72	8.20
Goa	11.20	8.18	7.19
Lakshadweep	11.33	2.98	18.51
Daman & Diu	8.63	7.56	-0.23
Dadra Nagar & Haveli	7.37	2.75	15.01
Central Region			
Madhya Pradesh	6.87	6.78	6.66
Chattishgarh	10.16	6.60	7.29
Southern Region			
Andhra Pradesh	5.76	4.71	9.87
Karnataka	5.76	4.71	9.87
Kerala	5.97	18.0	3.25
Tamil Nadu	6.45	8.05	6.70
Puducherry	8.13	8.72	7.22
Andaman & Nicobar Island	8.82	3.59	6.40

States	Rural	Urban	General
Northeastern Region			
Arunachal Pradesh	6.44	-	-
Assam	8.69	9.73	8.89
Manipur	2.0	8.23	4.13
Meghalaya	16.77	9.10	15.03
Mizoram	13.81	5.99	9.56
Nagaland	14.55	8.91	12.32
Tripura	22.29	15.70	20.42
Sikkim	8.69	8.56	8.66
Eastern Region			
Bihar	10.38	8.16	10.06
Jharkhand	6.43	8.78	9.31
West Bengal	9.35	8.0	7.82
Odisha	11.75	10.09	9.71

Source: State-wise monthly inflation rates are estimated from year on year Consumer Price Index (CPI) data of MOSPI. There is one month time lag in CPI data (New Series 2010=100) provided by MOSPI, Government of India.

NDA Government may Do Away with Tribal Consent for Cutting Forests

(Firstpost, September 09, 2014)

Led by Prime Minister's Office, the NDA Government is deliberating about possible ways to get rid of the mandatory requirement of getting consent from Tribal Gram Sabhas before cutting down their forests for industrial news. They are looking for a way so that the requirement can be removed without going through the politically laborious route of getting the Forest Rights Act amended in the Parliament. If the group goes through, cutting down of forests for industrial and development projects would again be cleared solely at political-bureaucratic discretion of the Union government, like it was until the Forest Rights Act was passed in 2006.

The proposed move has been initiated by the environment ministry and has since been consistently reviewed by the PMO. Other ministries that are up for the move are Coal and Road Transport Ministries, and are involved in discussions. One option being discussed is turning the consent requirement into an easier process of general public hearing for environmental processes. These general hearings will not allow veto power over projects, unlike the "prior informed consent" provision. Another method suggested is through seeking a favourable advice from the Law Ministry. For this, the Environment Ministry, desperate to get the clause removed from the forest clearance process, has sent a query to the Law Ministry tilting the questions in favour of removing the requirement. If the Law Ministry's favourable advice is reached, it could be used to contradict the long-standing view of the tribal affairs ministry. For now, the Tribal Affairs Ministry maintains that even an exception for certain kinds of projects will be illegal, so the question of doing away with the requirement does not even arise, unless the Forest Rights Act is amended.

Simultaneously, the NDA government has started ditching the necessity for public hearing in some kinds of projects. It has already been done for expansion of coal mining projects. This move will most likely not find dissenters among industrialists, who have been blaming rigid environmental laws for restricting projects. However, such a move definitely marks a move against the support for the poorest in the country, in an attempt to lure higher industrial growth.

<http://www.firstpost.com/india/full-u-turn-modi-govt-may-scrap-required-tribal-nod-to-use-forest-land-1704677.html>

http://www.business-standard.com/article/economy-policy/govt-may-do-away-with-tribal-consent-for-cutting-forests-114090900008_1.html

Date Accessed: 10.09.2014

(Kasturi Mishra)

India Signs Asean Trade Deal

(Nayanima Basu, *Business Standard*, September 09, 2014)

On September 4, 2014, the Government of India signed the pact on services' trade and investment with the Association of South Asian Nations (Asean). The deal was negotiated and agreed upon in December 2012, under the previous United Progressive Alliance government. The accord aims at allowing freer movement of professionals and encouraging investment. It means more market access to the 10 countries in the bloc.

India's Free Trade Agreement (FTA) in goods with the bloc took effect in 2010. The pact in services holds relevance, as India did not gain much from the one in goods due to already low tariffs in the region. Moreover, there has been a lack of increase in India's exports to the region, while imports from many Asean member-states such as Singapore, Malaysia, Thailand and Indonesia have been rising. Important Articles in the agreement are ones on transparency, domestic regulations, recognition, market access, national treatment, increasing participation of developing countries, joint committee on services, review, dispute settlement and denial of benefits among others. Once FTA in services and investment gets ratified, the whole set will become a Comprehensive Economic Partnership Agreement.

Although India has signed the deal, a final call will be taken during the India-Asean summit scheduled for November in Myanmar, to be attended by Prime Minister, Narendra Modi and other heads of government. The precise framework for operationalization and related details would be decided then or earlier. 9 of the 10 Asean countries have signed the deal but not the Philippines, due to domestic reasons. To become operational, all 10 must sign it and all the respective legislatures must ratify it. For this, ratification by India's parliament is also needed.

http://www.business-standard.com/article/economy-policy/india-signs-asean-trade-deal-114090801248_1.html

Date Accessed: 09.09.2014

(Kasturi Mishra)

India, Germany Plan Roadmap for Cooperation in Skill Development

(*The Statesman*, September 09, 2014)

India and Germany have agreed to prepare a concrete roadmap for cooperation in skill development, solid waste management and cleaning of rivers and would soon organise issue specific workshops. The visiting German Foreign Minister, Dr Frank Walter Steinmeier expressed his strong desire to work with the Indian government and deepen bilateral relations.

While appreciating the interest shown by the German Chancellor, Ms Angela Merkel, to the India-Germany relationship, Prime Minister Mr Modi said India should use Germany's strength and experience in the area of skill development. He said India and Germany should develop a concrete time-bound plan for training of Indian youth to meet Indian needs and the global requirement of skilled human resources.

Indian government also called for taking forward the ongoing cooperation in the area of clean energy and forging new partnerships in areas of solid waste management, waste water treatment and cleaning of rivers.

<http://www.thestatesman.net/news/76369-india-germany-plan-roadmap-for-coop-in-skill-devp.html?page=2>

Date Accessed: 10.09.2014

(Jeet Singh)

Expenditure Management Commission to Tell Government how to Better its Fiscal Discipline

(Asian Age, September 08, 2014)

The terms of reference for the expenditure management commission, headed by former Governor of Reserve Bank of India (RBI) Bimal Jalan, has been finalised. The commission would suggest ways to “improve fiscal discipline”, “target subsidies more efficiently” and “imposition of user charges on utilities.” The commission will review the major areas of central government expenditure and suggest ways to create fiscal space required to meet developmental expenditure needs.

Former Finance Secretary Sumit Bose and former RBI Deputy Governor Suvir Gokarn, are members of this commission. The commission will submit its interim report before the budget for 2015-16, and final report before the budget for 2016-17.

The notification, detailing the terms of reference of the commission, suggests that the ministries and Government departments would furnish information to the commission as may be required by it. “The Government of India trusts the State Governments and other concerned will extend to the commission full cooperation and assistance,” the notification added.

<http://www.asianage.com/india/bimal-jalan-panel-tell-government-how-better-its-fiscal-discipline-069>

Date Accessed: 08.09.2014

(Devyani Bhushan)

India Pitches for Rating Upgrade

(Business Standard, September 09, 2014)

In a meeting with the representatives of the credit ratings agency Moody’s held on September 8, 2014, the Finance Ministry officials informed them that the Budget 2014-15 has provided a push for growth and the government is taking steps to keep the fiscal deficit in check. The ministry thereby tried to acquire a ratings upgrade for India, which will aid in attracting investors by indicating better creditworthiness and lower likelihood of default. It is noted by the ministry officials that the revenue buoyancy is good and even multilateral agencies like the International Monetary Fund (IMF) and the World Bank are positive about India’s growth projections.

Currently, Moody’s has assigned ‘Baa3’ rating to India, with a stable outlook, which points to the possibility of an upgrade. The rating “reflects high domestic savings and adequate foreign exchange reserves and the challenges posed by large fiscal deficits, recurrent inflation and weak infrastructure”, according to Moody’s. In August, the Finance Ministry officials had informed the representatives of another ratings agency Standard & Poor of the government’s design to reduce fiscal deficit to 3% of GDP by 2016-2017. S&P currently rates India as ‘BBB-’, the lowest in investment grade, with a negative outlook. It is expected that the representatives of Fitch, which currently rates India at ‘BBB-’ with stable outlook, indicating low default risk, will meet the ministry officials soon.

Finance Secretary Arvind Mayaram has noted that inflation is a matter of concern, considering the poor monsoon. However, he added that the requirements of food items and that, in case monsoon is below normal and if production falls marginally, then the stockpiles could suffice, in that event, is taken care of. He also said that the government has set up an Expenditure Management Commission, headed by former Reserve Bank Governor Bimal Jalan, which aims at observing the wide profile of subsidy rationalization. This commission will submit its interim report before the Budget for 2015-16 and the final report in early 2016. For now, the government is aiming at bringing down the fiscal deficit to 4.1% of GDP by 2014-15 from last year’s 4.5%.

http://www.business-standard.com/article/pti-stories/india-pitches-for-rating-upgrade-says-will-keep-fisc-in-check-114090800608_1.html

Date Accessed: 09.09.2014

(Kasturi Mishra)

India to Revise GDP Measurement Next Year, Economy may be Larger

(Manoj Kumar, *Reuters*, September 09, 2014)

Officials said that India might revise the way it measures gross domestic product to reflect under-represented and informal economic sectors. This is expected to show the economy is larger than previously thought.

India usually revises the method of calculating national accounts and other macro data every five years, bringing in a newer base year and adjusting for changes in the economy. The measure should be adjusted by early 2015. Currently, government uses 2004-05 as base year but now is planning to switch to use 2011-12.

India last revised the national accounts in March 2010 due to which annual economic growth estimates were upwardly adjusted by 0.8 to 1.7 percentage points. This doubled the contribution to economy made by construction, trade and hotel industries while importance of communication and railways declined.

It is estimated that the economy will grow 6 percent irrespective of the planned revision. The revision would not be on the scale of a similar exercise in Nigeria where the economy doubled. Several European economies have also revised measurements that have caused higher estimates of economic activity.

<http://in.reuters.com/article/2014/09/09/india-economy-gdp-idINKBN0H40UJ20140909>

Date Accessed: 10.09.2014

(Shriyam Gupta)

POLITICS AND GOVERNANCE

Rural Housing Projects to be Tracked in Real Time

(*Niticentral*, September 09, 2014)

Houses in rural areas have been built under the Indira Awaas Yojana (IAY) since 1985. The Rural Development Ministry under the National Democratic Alliance (NDA) Government has proposed to revamp and rename the scheme as National Gramin Awaas Mission. It has set a target of building 29.5 million houses within seven years, starting from 2015.

The Rural Development Ministry in order to boost rural infrastructure in the country is planning to digitally monitor all its assets falling under various social schemes, including "Houses for All" by 2022. The Ministry plans to introduce mobile-based monitoring of rural houses by geo tagging each house built under the Rural Housing Scheme and upload it on the Ministry's website. This is expected to help in ensuring the proper implementation of the scheme.

Various steps decided to be taken up by the Ministry under the National Gramin Awaas Mission are:

- Increasing the allocation per unit from Rs 70,000 to Rs 1.10 lakh in plain areas and from Rs 75,000 to Rs 1.25 lakh in hilly or difficult terrain.
- Increasing the size of each unit from 20 sq mt to 25 sq mt. Toilets have also been included under the scheme
- To set up technology facilitation centres that will help rural households to use locally available material for construction of houses under the scheme.

An investment of Rs 3.5 lakh crore will be required for the implementation of the scheme, which will be shared in the ratio of 75:25 in plain areas and 90:10 in hilly areas between both the Central and the State Governments.

<http://www.niticentral.com/2014/09/09/digital-india-rural-housing-projects-to-be-tracked-real-time-237567.html>

Date Accessed :09.09.2014

(Devyani Bhushan)

India to Come Out with Intellectual Property Rights Policy

(*ET Bureau, Economic Times*, September 09, 2014)

With a view of promoting national interests, India has proposed a national intellectual rights policy (IPR) to safeguard its interests and bring clarity to existing laws. Commerce & Industry Minister Nirmala Sitharaman said, "India has well-established IPR laws, but it is important to spell it out in the form of a policy for the entire world to see". She added, "When there is a policy, there is consistency and more rigour to move ahead."

This has come as a response, as developed countries have criticized India, particularly the US. However India has consistently reiterated that its policies are in accord with WTO regulations. Earlier this year, a Special 301 report by the US was gravely critical of India's judicial and subsequent policy interpretation of the controversial provision in the Indian Patents Act that deals with so-called ever-greening of patents and compulsory licensing. The US is threatening to downgrade India's intellectual property environment in an out-of-cycle review expected shortly as US drug makers have been lobbying actively with their government over taking action against India's IPR regime, which they considered remiss. Sitharaman said the real problem was the absence of a proper framework. On the structure of the IPR policy, Sitharaman said, "All laws and rules will come within the framework of the policy. We want to strengthen IPR and upgrade IPR officers." The Centre is planning to bring out a draft IPR policy within four months.

The ministry will soon have a think tank for IPR-related issues. "Experts will keep the government updated about international developments in terms of IPR and advise on various issues," said Department of Industrial Policy & Promotion (DIPP) Secretary Amitabh Kant. The department, part of the Commerce Ministry, is strengthening intellectual property rights infrastructure by increasing the number of people assigned to such issues.

http://articles.economictimes.indiatimes.com/2014-09-09/news/53730889_1_ipr-policy-ipr-regime-out-of-cycle-review
http://www.business-standard.com/article/economy-policy/ahead-of-modi-s-us-visit-govt-says-will-hammer-out-ipr-policy-114090800970_1.html

Date Accessed: 09.09.2014

(Kasturi Mishra)

Lokpal Search Committee Gets More Autonomy

(The Hindu, September 04, 2014)

As per the new amendments notified by the Department of Personnel and Training, the Lokpal search committee has been given autonomy to independently shortlist and recommend names for the selection of a Chairperson and members of the anti-corruption body. The search committee has shortlisted names for the nine-member Lokpal.

In March 2014, former Supreme Court judge Justice K.T. Thomas opted out from heading the search committee citing lack of autonomy in short listing and recommending candidates. Eminent jurist Fali Nariman also refused to be a part of the search panel for Lokpal.

The amendments were made to Rule 10 of the Search Committee Rules which contained a provision that the search committee could only shortlist candidates from a list provided by the Department of Personnel and Training which was objected by Justice Thomas.

This roadblock was removed by omitting the words “from among the list of persons provided by the Central Government in the Department of Personnel and Training” from the rules.

Further revisions include scrapping of a 30-day deadline to recommend names by the search committee and the provision that the number of candidates recommended should be thrice the number of vacancies.

The government also reduced the composition of the search committee to seven members from eight — the panel would now consist of at least seven persons of standing and having special knowledge in anti-corruption, public administration and vigilance among others.

<http://www.thehindu.com/todays-paper/lokpal-search-panel-gets-freedom-of-choice/article6377814.ece>

Date Accessed: 05.09.2014

(Afreen Faridi)

NBA Stands Firm against Raising the Height of Sardar Sarovar Dam

(Lyla Bavadam, The Frontline, September 19, 2014)

One of the first acts of Narendra Modi as the Prime Minister to increase the height of Sardar Sarovar Dam by installing radial gates is being met by stiff opposition by Narmada Bachao Andolan (NBA). The three metal radial gates will increase the height of the dam by about 17 metres, taking the dam's height to 138.68 metres. The installation of the gates will cost Rs. 342 crore and will take three years to complete. Gujarat government claims that the gates are necessary for better use of dam's water, which NBA refutes vociferously.

Gujarat government has thus far failed to implement certain crucial aspects related to the project. The prime failure lies in the issue of rehabilitation of people affected by the project. An estimated 2.5 lakh people will be affected by the increase in height, covering 245 villages in the Narmada valley that encompasses Gujarat, Maharashtra and Madhya Pradesh. The Narmada Water Disputes Tribunal (NWDT) and the Supreme Court have ruled that people affected by the Narmada projects have to be rehabilitated six months before the submergence of their homes and fields. The Madhya Pradesh government puts blame on the lack of land as the reason for failure to provide rehabilitation to the displaced.

Gujarat government claims that installation of gates will better irrigation in 9 lakh hectares of land. The government ignores the bad irrigation system in place and points to this lack of gates as the cause of poor irrigation. Official estimates show that against the required 2,585 kilometres of branch canals, only 2,322.15 km is complete; only 3,103 km of sub-branch canals are in place against the required 5,112 km and 8,979 km of minor canals against the required 18,413 km. The current height of the dam is sufficient to provide water to regions as far as Kutch and

Saurashtra, the absence of canals is causing the hindrance.

Lack of transparency in decision making is another accusation against the Gujarat government. Medha Patkar of the NBA said that the installation of gates was done without any discussion with the public. The procedure for decision making in the Narmada Valley projects, as per the Supreme Court order of 2000, is said to be sidelined.

Consequently, Patkar has given an ultimatum to the Modi government to retract the decision to install the radial gates by October 10.

<http://www.frontline.in/the-nation/height-of-controversy/article6364780.ece?homepage=true>

Date Accessed: 08.09.2014

(Afreen Faridi)

Reservation for Backward Classes Adopted by Andhra Pradesh Assembly

(Deccan Chronicle, September 06, 2014)

The Andhra Pradesh Legislative Assembly adopted a resolution, moved by Chief Minister NC Naidu, requesting the Centre to provide 33.33 per cent reservation in the Parliament as well as State legislatures to the Backward Classes (BC's). The resolution sought a constitutional status for the BC's and asked the Centre to conduct a census to determine the population of the BC's.

The resolution requested the Union Government to set up a separate ministry for the welfare of BC's and earmark 25 per cent of welfare funds for BC's sub-plan. The Andhra Pradesh government also sought reservations in promotions of government employees belonging to the backward classes.

The resolution was adopted unanimously in the House.

<http://www.greaterkashmir.com/news/2014/Sep/7/state-centre-plugged-ears-when-experts-sounded-alarm-12.asp>

Date Accessed: 08.09.2014

(Afreen Faridi)

Revamped Kisan Vikas Patra Set to be Launched Next Month

(Surabhi, Indian Express, September 11, 2014)

The finance ministry is set to revamp small saving schemes as it tries to channelize household investments into the formal sector. Towards this end, the popular small savings product of the 1980s and 1990s — the Kisan Vikas Patra — is set to stage a comeback while inflation-indexed bonds for retail investors may be merged with the proposed National Savings Certificate.

The finance ministry plans to launch the revamped version of the small savings scheme next month. The revamped KVP is expected to have relaxed know-your-customer (KYC) norms but will continue with its earlier tax treatment wherein there was no deduction allowed under Section 80 -C of the Income Tax Act. Interest income on the KVP will also be taxable. The revised KVP will continue to be available at post offices to subscribers.

“The objective is to wean away household savings from investments like gold. KVP was very popular amongst small savers as it guaranteed to double investment over a period of time despite no tax benefits,” pointed out a ministry official. The finance ministry is also considering a plan to merge the benefits of the inflation-indexed bonds for retail investors with another small savings product. “The main objective of the inflation-indexed bond is to provide protection from inflation. But the bonds were not successful last fiscal due to a variety of factors,” said a second official. As a result while the inflation-indexed bonds for institutional investors would continue, the bonds for retail sector could be merged with the proposed National Savings Certificates that could include inflation indexation. The

finance ministry reasons that too many small savings products could also confuse retail investors but continuing the inflation-indexed bonds in the institutional sector would provide some variety to the market.

<http://indianexpress.com/article/business/business-others/revamped-kisan-vikas-patra-set-to-be-launched-next-month/>

Date Accessed: 11.09.2014

(Rohit Chauhan)

India Ready to Roll Out Easier Customs Rules in WTO Push

(Sidhartha & Surojit Gupta, *Economic Times*, September 06, 2014)

The commerce and revenue departments have worked out the details of India's commitment under the proposed trade facilitation agreement. The plan worked out at WTO Ministerial Conference in Bali last December had suggested that countries sequence their commitments on the Trade Facilitation Agreement (TFA) in three stages.

As of now, TFA requires the provision of advance ruling to be extended to anyone, who has a justifiable cause, which is not currently provided under Indian rules. Advance ruling is a facility that allows companies to get advice from a panel on the tax implications for a particular transaction. Currently, the facility is not available to exporters and importers, which will now be dealt with through an amendment to the Customs Act.

Similarly, the customs authorities publish the rules and hold consultations during their preparation, although there is no legal provision for it. This requires the government to amend the law and put in place detailed rules to meet the new TFA norms. The government will also need to set up a National Trade Facilitation Committee, and make arrangements related to Border Agency Cooperation and Customs Cooperation.

Rules are also being put in place to ensure that there is a provision for release of goods prior to final determination of duty if it is not done prior to or as rapidly as possible. It will also start publishing the average release time that is provided for in TFA." But, the implementation of the agreement depends on finding a final solution to India's concerns on food security, which in the coming years will impact the government's ability to fix the minimum support price for wheat and rice.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-ready-to-roll-out-easier-customs-rules-in-wto-push/articleshow/41854563.cms>

Date Accessed: 10.09.2014

(Rohit Chauhan)

MNREGS Beneficiaries Paid Rs. 37 Crore a Year Bribe for Jobs: Study

(Puja Mehra, *The Hindu*, September 10, 2014)

A study to calculate the size of the black economy commissioned by the UPA Government has reported that a very large number of professionals earning taxable income from their profession are not filing their returns of income.

The authors of the report also studied some flagship social programmes to assess the generation of black money through leakages in expenditures on them. The report estimates that 24 per cent of the MNREGS allocations by the Centre were misappropriated in 2009-10, down from 41.5 per cent in 2006-07.

In the same year, the report estimates that bribes worth about Rs. 37 crore paid by MNREGS beneficiaries across the country to get jobs. The average bribe paid was Rs. 65.

The Hindu had reported that among the findings of a confidential report commissioned by the government is that driven substantially by the higher education sector, real estate deals and mining income, India's black economy

could now be nearly three-quarters the size of its reported Gross Domestic Product (GDP). Since there were no “reliable” estimates of black money generated in India and held within and outside the country, the UPA Government had commissioned the National Institute of Public Finance and Policy (NIPFP), linked to the Finance Ministry in March 2011, to estimate the black money in India and held overseas by Indians.

The Special Investigation Team (SIT) on black money constituted by the Modi Government had on May 27 in compliance with a Supreme Court direction is studying the report. Though the report was submitted to the Finance Ministry in December 2013, neither the UPA Finance Minister P Chidambaram nor has his successor Arun Jaitley placed it in parliament.

<http://www.thehindu.com/data/black-money-mnregs-beneficiaries-paid-rs-37-crore-a-year-bribe-for-jobs/article6386139.ece>

Date Accessed: 10.09.2014
(Rohit Chauhan)

DEVELOPMENT

62 Lakh Families in Andhra Pradesh to Get Toilets by 2019

(Deccan Chronicle, September 04, 2014)

The state government of Andhra Pradesh will provide Integrated Sanitary Latrines (ISLs) to 62 lakh families in the next five years to improve living standards. Officials reported that 62 lakh families in the 13 districts of the state have been identified without toilet facility. The plan hopes to build 15 lakh ISLs would be constructed every year.

4,46,816 families in Guntur district cope without latrine facility in rural areas. These increase chances of communicable diseases. Union government has released INR 350 crore in phase-I and INR 250 crore in phase-II in the 13th finance commission funds. The minister for Panchayati raj said that these funds would be used for drinking water and sanitation.

Government appealed to women to force their family members to construct ISLs and asked officials to build 13,938 ISLs in Sattenapalli constituency by the end of the month.

<http://www.deccanchronicle.com/140908/nation-current-affairs/article/62-lakh-families-andhra-pradesh-get-loos-2019>

Date Accessed: 10.09.2014
(Shriyam Gupta)

HEALTH

India to Eradicate Kala-azar by 2015

(Alok Gupta, Down To Earth, September 03, 2014)

The Union Health Ministry has announced that Kala-azar or black fever will be completely eradicated from India by 2015. The Union Health Minister announced that AmBisome (Amphotericin B) injection, with an efficacy rate of 98 percent, will be provided free of cost, in collaboration with World Health Organisation (WHO) to Kala-azar patients. An AmBisome injection is priced around U.S \$18.

Doctors as well as field level ASHA workers would be given an incentive of Rs 300 for reporting a black fever case and an additional amount of Rs 100 for garnering community support for spraying chemicals to get rid of sand flies. Sand flies spread the diseases with their bite. Apart from the health worker, each black fever patient would be also entitled to Rs 500 per day. This step has been taken to motivate patients to undergo complete treatment.

Bihar alone reports nearly 80 percent of all black fever cases in the country. Hence a special four day survey to identify black fever patients has been started from September 5 in ten districts of Bihar- East Chhmaparan, Gopalgang,

Araria, Purnia, Muzaffarpur, Vaishali, Saran, Saharsa, Samstipur and Sitamarhi. Patna based Rajendra Memorial Research Institute (RMRI) has made a new non invasive rapid diagnostic kit for detecting Kala-azar cases. The earlier clinical test required taking of blood sample. The new testing kit, requires urine or oral fluid and has drastically reduced cost of detecting black fever, from Rs 500 to just Rs 65

Experts on black fever point out that elimination of the disease is a challenge since it is a contagious disease and spreads at an alarmingly high rate. One of the biggest challenges is uninterrupted supply of Ambisome injections.

<http://www.downtoearth.org.in/content/india-eradicate-kala-azar-2015-harsh-varadhan>

Date Accessed:06.09.2014

(Devyani Bhushan)

India and Bangladesh Sign MoU on Traditional Medicine

(DD News, September 10, 2014)

Bangladesh and India have signed a memorandum of understanding (MoU) for enhanced cooperation in the fields of traditional medicine like Ayurveda and Unani, as World Health Organisation decided to lay an extra focus on the issue as an "important part of healthcare" in the region.

The two countries inked the deal in Dhaka on the sidelines of the WHO's South-East Asia regional conference where the traditional medicine was one of the major issues of discussion of the 11 health ministers, experts and officials.

Bangladesh's health officials said under the deal the two sides agreed to exchange all kinds of traditional medicines alongside the experts and physicians for conducting training. They said recognised institutions of both the countries would provide scholarships to each other in addition to setting up an 'academic chair'

WHO's South-East Asia director Dr Poonam Khetrpal Singh said the traditional medicine like Ayurveda, Unani and other herbal treatment systems and homeopathy appeared cheaper, affordable and reliable to many people in the region while WHO regional office planned also to include the yoga as a practice as part of a "composite healthcare system". "Generally they do not have side effects (unlike allopathic medicines) and many people also think there are some chronic diseases which could be cured only by the traditional medicine," she said.

<http://www.ddinews.gov.in/>

Date Accessed: 11.09.2014

(Jeet Singh)

Highest Number of Diabetes-Linked TB Cases in India, Says Lancet

(C.H.Unnikrishnan, live mint and the wall street journal, September 04, 2014)

India is heading towards a serious health threat and medical crisis- Diabetes associated Tuber culosis (TB). The country has the highest number of diabetes linked TB cases, which hamper global efforts to control and eliminate TB, according to a new study commissioned by The Lancet. "Diabetes is making an increasingly important contribution to the TB epidemic. 52 percent increase in diabetes prevalence recorded over the last three years in the 22 highest TB burden countries is thought to be responsible for a rise in diabetes associated TB cases from 10 percent in 2010 to 15 percent in 2013," says the study.

The study reveals that the top 5 countries with the highest estimated number of adult TB cases associated with diabetes are – India(302000 cases), China(156000), South Africa(70,000), Indonesia(48,000) and Pakistan(43,000). India has the second largest population of diabetes patients in the world with 30 million people diagnosed with the disease- next only to China. India also has the highest burden of TB in the world, with an estimated 2 million new cases surfacing annually.

Diabetes increases the risk of developing active TB. Conversely, TB infection worsens glucose control in patients with diabetes. Thus, as diabetes becomes more common in TB endemic regions, health care systems will increasingly be faced with the challenge of a double disease burden. This double disease burden creates obstacles for the prevention and care of both diseases. Continued progress in reducing communicable diseases like TB cannot be made without adequate provision of resources to combat diabetes. This knowledge should be a wakeup call to the global community and local health care providers to invest further in the prevention and treatment of chronic diseases like obesity and diabetes. These diseases continue to be relatively ignored when it comes to health care funding.

<http://www.livemint.com/Politics/ITP50fIBOIPKeqxsd2TEHN/Highest-number-of-diabeteslinked-TB-cases-in-India-says-L.html>

Date Accessed: 05.09.2014

(Devyani Bhushan)

URBAN

Spatial Poverty in Gujarat

(Laveesh Bhandari, *Livemint*, September 07, 2014)

A study by India's premier economics research firm Indicus Analytics, which used satellite imagery and the concept of spatial poverty (highly correlated with economic poverty), throws light on the district-level estimates of poverty. The highest poverty districts ring the boundary between Gujarat and the neighboring states of Maharashtra, Madhya Pradesh and Rajasthan. These districts consist of large tribal population, predominantly uncultivated or uncultivable land and poor water resources. Adding to this, most of these districts are land-locked. Therefore, The Dangs, Panchmahal, Banaskantha, Dahod or any other border district, tend to have a greater intensity of poverty than the rest of the state.

Primarily trade supports Gujarat's economy; hence districts near the coast are largely involved in reaping the benefits as well as contributing to the trade. However, the districts away from the coast suffer not only due to uncultivable land but also due to the distance from local and national trading centers. Since tribals live in areas with low land productivity and low population density, it becomes costlier and more difficult to provide them with quality government services. Also, this predominantly tribal population fails to use the opportunities presented by a growing economy, as these occupations require some basic education and understanding of non-traditional occupations. A second major type of poverty in Gujarat exists in urban centres. Jamnagar, in contrast to Gandhinagar, despite being largely a new city, has large unplanned areas, serving the needs of a large industrial base. Bad urban planning creates conditions that perpetuate poverty. This is because government services that help the poor are unable to reach these areas— law and order, or health or education.

Moreover, there is a greater density of children in high poverty areas than in low-poverty areas. Hence, if care is not taken to provide infrastructure, education and health facilities in these areas, Gujarat will sustain poverty into the next generation. Good quality urban planning is imperative to address poverty. Terms of trade for the services that tribal populations are better at delivering, needs to improve. Tourism infrastructure will also go a long way in improving their conditions, to supplement other efforts. Other policies are needed as only reservations and road building will take a long time to pay off.

<http://www.livemint.com/Opinion/XakYyszxEtK9hx99Eve6wJ/Spatial-poverty-in-Gujarat.html>

Date Accessed: 09.09.2014

(Kasturi Mishra)

ENERGY

Delhites can Become Renewable Energy Suppliers

(Richi Verma, *Times of India*, September 02, 2014)

Delhi Electricity Regulatory Commission (DERC) has announced regulations for net metering of renewable energy, giving Delhites a chance to become renewable energy suppliers. The regulations enable people to generate renew-

able energy in their premises, and reduce their electricity bills by the amount of power they supply to the grid.

While the net metering regulations apply to all forms of renewable energy like solar, hydro and wind, but the fact lies that only solar energy generation is feasible in Delhi. DERC has pointed out that, consumers can set up their own solar panels and either supply directly to the grid or use it partially. Whatever power the consumer supplies to the grid, they can draw back the same depending on their needs, as per the sources. How much power a consumer supplies and draws back from the grid will be metered. If they draw more than they supply, the difference will be billed to them. If they draw less, they will be given energy credits in the next billing cycle.

The advantage of the new regulations for power companies is that any renewable energy they source in this way will count towards their renewable power obligations that they have not been able to meet. The power companies, already struggling to meet costs, fear additional financial constraints of buying renewable energy. In addition they will need to strengthen their infrastructure network, new lines, feeders etc for receiving these energy supplies.

<http://timesofindia.indiatimes.com/city/delhi/Now-sell-solar-power-to-discoms/articleshow/41545969.cms>

Date Accessed: 04.09.2014

(Devyani Bhushan)

TECHNOLOGY

Initiative to Create Solar Powered Desalination Plants

(Mumbai Mirror, September 10, 2014)

Researchers from Massachusetts Institute of Technology have found a way to provide palatable drinking water to villages which lack access to a grid that can power a conventional desalination plant. The technology known as electro-dialysis is powered by solar panels.

Salty groundwater is higher in volume than fresh, potable water around the world. 60 per cent of India has abundant salt water and a sizeable portion of that area lacks an electric grid that can power a conventional desalination based on reverse osmosis.

Field research shows that electro-dialysis is feasible in India due to low levels of salinity - 500 to 3000 ml per litre - compared to seawater and the region's lack of access to electricity.

Water that is moderately salty is not toxic directly, but it can have serious effects on health with sustained consumption over a period of time. The technology used in electro-dialysis ensures that the membranes used to filter water last longer and require less maintenance by exposing the dialysis system to lower pressure and through easy clearance of salt build up in the water.

India has a huge population living in areas with access to water with high brackish content where water is scarce or about to become scarce. While this technology has been conceived for village-scale self contained systems, it could also be useful during disaster relief and for use by the military in conditions of scarcity of potable water.

<http://www.mumbaimirror.com/others/sci-tech/Solar-desalination-for-Indian-villages/articleshow/42147251.cms>

Date Accessed: 10.09.2014

(Afreen Faridi)

Brain-to-brain 'Telepathic' Communication Achieved for First Time

(The Telegraph, September 05, 2014)

For the first time, scientists have been able to send a simple mental message from one person to another without any contact between the two, thousands of miles apart in India and France. Research led by experts at Harvard Univer-

sity shows technology can be used to transmit information from one person's brain to another's even, as in this case, if they are thousands of miles away.

"It is kind of technological realisation of the dream of telepathy, but it is definitely not magical," Giulio Ruffini, a theoretical physicist and co-author of the research, told the press.

"We are using technology to interact electromagnetically with the brain."

For the experiment, one person wearing a wireless, internet-linked electroencephalogram or EEG would think a simple greeting, like "hola," or "ciao." A computer translated the words into digital binary code, presented by a series of 1s or 0s. Then, this message was emailed from India to France, and delivered via robot to the receiver, who through non-invasive brain stimulation could see flashes of light in their peripheral vision.

The subjects receiving the message did not hear or see the words themselves, but were correctly able to report the flashes of light that corresponded to the message.

"We wanted to find out if one could communicate directly between two people by reading out the brain activity from one person and injecting brain activity into the second person, and do so across great physical distances by leveraging existing communication pathways," said co-author Alvaro Pascual-Leone, professor of neurology at Harvard Medical School.

Ruffini added that extra care was taken to make sure no sensory information got in the way that could have influenced the interpretation of the message.

<http://www.telegraph.co.uk/news/worldnews/northamerica/usa/11077094/Brain-to-brain-telepathic-communication-achieved-for-first-time.html>

Date Accessed: 10.09.2014

(Rohit Chauhan)

ENVIRONMENT

National Democratic Alliance (NDA) Government Sets Up High Level Panel to Amend Green Laws

(Kumar Sambhav, *Down To Earth*, September 03, 2014)

The Union Ministry of Environment and Forests (MoEF) has constituted a high level committee to recommend within two months amendments in the country's five key environmental laws to "bring them in line with current requirements" and "objectives." The committee is headed by former cabinet secretary TSR Subramanian and has Hardik Shah, member secretary of Gujarat Pollution Control Board, Vishwanath Anand, former secretary MoEF, Justice A.K. Srivastav, former judge of Delhi High Court and KN Bhatt, former Additional Solicitor General of India as members.

Among the laws that the committee is supposed to review are the Environment Protection Act, 1986, Forest Conservation Act, 1980, Wildlife Protection Act, 1972, The Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. These laws are meant to prevent the harmful impacts of the development activities on the environment. They also stipulate certain steps to be taken before an industry is set up or a development project comes up.

The high level committee has the mandate to assess the status of implementation of each of these acts while taking into account all the court orders and judicial pronouncements on these acts. The committee is then supposed to draft amendments in the Acts to "meet objectives." The "objectives," have not been specified in the order constituting the committee.

The setting up high level committee has to be seen in the context of moves to dilute environmental laws. For the past several years, industry has been complaining that the requirements under the environmental laws have been hindering economic growth of the country. In the first hundred days, NDA Government has been on a project clearance spree, at times even bending the laws.

<http://www.downtoearth.org.in/content/nda-government-sets-high-level-panel-amend-green-laws>

Date Accessed: 05.09.2014

(Devyani Bhushan)

Dilution of Environment Laws for Development

(Meena Menon, *The Hindu*, September 09, 2014)

The Ministry for Environment, Forests and Climate Change has undertaken a number of steps on the pretext of ensuring development. Some of these proposed changes to the environmental laws are:

The Ministry issued a notification on June 25, 2014 amending certain processes and exempting certain projects under the Environment Impact Assessment (EIA) Notification, 2006. The most important change being that earlier projects that were within 10 kilometres of Protected Areas would have to be vetted by the National Board for Wildlife, but now, that distance has been reduced to five km.

In July the Ministry, cleared some genetically modified crop field trials. Unlike in the past, neither its agenda nor the minutes of the meeting are posted online

The United Progressive Alliance government had issued guidelines for exemption from public hearing with respect to existing coal mining projects which apply for a one-time capacity expansion of up to 25 per cent in an existing mining operation. However the new Government has introduced a range of concessions for Coal Industries.

The Ministry has also launched several online environmental and forest clearances in the last three months. Even though no time frame for clearances was specified, it is assumed that speed would be of essence.

The government by trying to reduce and dilute these environmental laws is doing a serious disservice which can have irreversible consequences.

<http://www.thehindu.com/opinion/op-ed/comment-article-clearance-without-compliance/article6391834.ece>

Date Accessed: 09.09.2014

(Afreen Faridi)

Carbon Dioxide Pollution Levels at Annual Record high, says United Nations

(*Firstpost*, September 10, 2014)

Carbon dioxide (CO₂) levels in the atmosphere reached a record high in 2013 as increasing levels of man-made pollution transform the planet, a UN weather agency wrote recently. The heat-trapping gas blamed for the largest share of global warming rose to global concentrations of 396 parts per million last year, the biggest year-to-year change in three decades, the World Meteorological Organization said in an annual report.

CO₂ emissions are growing mainly in China and other large developing countries as their economies expand. So far developed and developing countries have failed to reach a binding pact that would curb emissions globally. The goal of U.N. climate talks is to deliver such an agreement next year.

Top climate scientists are now becoming increasingly sceptical that countries across the globe will meet the voluntary goals they set at the 2009 Copenhagen climate summit of limiting global warming to about 3.6 degrees Fahrenheit (2 degrees Celsius) above preindustrial levels.

A draft report last month the United Nations' Intergovernmental Panel on Climate Change said it is looking more likely that the world will shoot past that point and by mid-century temperatures will increase by another 3.6 degrees Fahrenheit (2 degrees Celsius). The Panel also said that by the end of the century this scenario will bring temperatures about 6.7 degrees warmer (3.7 degrees Celsius).

To address the challenge, U.N. Secretary-General Ban Ki-moon has invited heads of state and other leaders to a September 23 climate change summit in New York on the sidelines of the annual U.N. General Assembly. President Barack Obama of USA has said he will join to help spur new commitments from governments, industry and civil groups for reducing greenhouse gas emissions ahead of next year's global climate talks in Paris.

<http://www.firstpost.com/world/carbon-dioxide-pollution-levels-annual-record-high-says-united-nations-1705209.html>

Date Accessed: 10.09.2104

(Rohit Chauhan)

SOCIAL JUSTICE

UNICEF Report Exposes Acute Prevalence of Violence

(UNICEF, September 09, 2014)

The largest ever compilation of data on violence against children, in the UNICEF report 'Hidden in Plain Sight', shows the unsettling extent of physical, sexual and emotional abuse – and uncovers the attitudes that sustain and justify violence. The report draws data from 190 countries, including India. Major findings include:

- Sexual violence: Around 120 million girls under the age of 20 worldwide (about 1 in 10) have experienced forced sexual intercourse or other forced sexual acts. As for sexual violence against Indian girls, in the age group of 15-19, 77% of the perpetrators were husbands or partners, 3 percent boyfriends and only 3% strangers. 1 in 10 adolescent girls surveyed in India reported partner sexual violence. In India, Mozambique, Nepal, Pakistan - over 70% of ever-married girls named their current or former husbands as or perpetrators of physical violence against them. A research study in India and Nepal showed that women who married before age 18 experienced increased risk of both current and lifetime physical and sexual violence against them as compared to those who married after 18.
- Homicide: One fifth of homicide victims globally are children and adolescents under the age of 20. Among countries in Western Europe and North America, the United States has the highest homicide rate.
- Bullying: Slightly more than 1 in 3 students between the ages of 13 and 15 worldwide are regularly bullied in school.
- Violent discipline: About 17% of children in 58 countries are subject to severe forms of physical punishment. According to the report, Indian mothers and stepmothers are those mostly likely to subject their daughters to "physical violence". Among Indian girls 15 to 19 years of age, 41% experienced physical violence at the hands of their mothers or stepmothers, while 18% from their fathers or stepfathers.
- Attitude towards violence: Close to half of all adolescent girls aged 15 to 19 worldwide believe that a husband is justified in hitting his wife in certain circumstances. In Pakistan, girls are twice as likely as boys to believe wife beating is sometimes justified.

The strategies for remedying the above situations have also been suggested in the report. They include supporting parents and equipping children with life skills; changing attitudes; strengthening the judicial, criminal and social systems and services, while promoting evidence and awareness about violence and its costs on both human and socio-economic levels. The need for facing these situations has been highlighted in the report, as opposed to ignoring their existence; as such instances undermine progress and stability.

www.unicef.org/media/media_75530.html

www.unicef.org/publications/files/Hidden_in_plain_sight_statistical_analysis_EN_3_Sept_2014.pdf

Date Accessed: 09. 09. 2014

(Kasturi Mishra)

DEMOGRAPHY

In 68th Year of Independence, Bihar's 23,000 Freedom

Fighters

(*bihartimes.in*, September 06, 2014)

A Right to Information Inquiry revealed that Bihar has 23,000 freedom fighters getting pension from the government, which is the highest in the country. The number has been the same for the last five years. State official however say that such figures are inflated because there is no updating of records. Home ministry figures show that 171,520 freedom fighters or their dependents receive pensions.

Freedom fighters get a monthly pension of Rs.15,000 from the Centre while Bihar government gives Rs. 2,000 per month. Apart from this, a freedom fighter is entitled to a railway pass for unlimited travel to any place in India.

In early 2000, a large number of people falsely claiming to be freedom fighters were found in Bihar following an inquiry conducted by official agencies. In 2012, the union home ministry had sought verification of the number of such pensioners. After that, the Bihar government had asked all the 38 district magistrates to send treasury-wise details of pension payment order numbers.

The Swatantra Senani Samman Yojna was launched in the early 1970s to honor freedom fighters and provide them pension in recognition of the services rendered by them during the struggle for Independence. The central government spent Rs 772.85 crore on pension to freedom fighters and their eligible dependents in the fiscal year 2012-13 under various schemes in the country.

<http://www.bihartimes.in/Newsbihar/2014/Sep/newsbihar07Sep2.html>

Date Accessed: 10.09.2014

(Shriyam Gupta)

INDIA IN THE WORLD

Forex of \$3 Billion at Stake: India to Push for Cut in Crude Premium Rates

(Rajeev Jayaswal & Arun Kumar, *Economic Times*, September 08, 2014)

India is looking for ways in which it can get West Asian oil and gas producers to cut the so-called Asian premium, which adds up to more than \$3 billion annually. The premium is the amount Asian buyers pay on top of the crude or gas price for reasons of proximity and stability of supply.

Currently, refiners individually negotiate long-term contracts with producers, limiting their bargaining power. India imported crude worth about \$143 billion in 2013-14, three-fourths of which came from the Gulf countries, with a built-in premium of about \$1.5-3 per barrel.

"The premium is charged on the pretext of long-term uninterrupted supply of crude," said a person familiar with the development". Since international oil prices are on a slide, there is an opportunity to renegotiate the contracts in our favour. An oil industry veteran said Indian buyers could influence producers more effectively if they acted in concert.

The Gulf countries, especially Saudi Arabia, sell crude oil and liquefied natural gas (LNG) at lower rates to European and American buyers compared with Asian importers such as Japan and India. The premium is embedded in the official selling price (OSP).

In 2010, Veerappa Moily joined hands with Japan to oppose the Asian premium charged by Gulf-based LNG producers. The Prime Minister's recent visit to Japan could revive the synergy between the two large Asian energy importers and strengthen their collective bargaining power, government officials said.

http://articles.economictimes.indiatimes.com/2014-09-08/news/53691362_1_gulf-countries-oil-minister-so-called-asian-premium

Date Accessed: 08.09.2014
(Rohit Chauhan)

INTERNATIONAL AFFAIRS

U.N. to Negotiate Legal Framework for Sovereign Debt Restructuring

(Michelle Nichols, *Reuters*, September 09, 2014)

This article highlights the decision by the United Nations General Assembly to negotiate and adopt a multilateral legal framework for sovereign debt restructuring processes to improve the global financial system. The move has come in wake of Argentina's debt crisis. In July 2014, a New York court blocked a coupon payment by Argentina, forcing it to default on a bond contract. Argentina, in a battle with hedge funds, has since proposed swapping into local law bonds as a way of trying to get around the U.S. court orders.

The resolution which was drafted by Bolivia on behalf of the Group of 77 and China, was adopted with 124 in favor and 11 against. The United States voted against the measure, and there were 41 abstentions. U.N. General Assembly resolutions are non-binding but carry a symbolic international political weight.

The resolution decided to define the modalities for the intergovernmental negotiations on a multilateral legal framework before the end of 2014. The purpose of the legal framework for sovereign debt restructuring would be to increase "the efficiency, stability and predictability of the international financial system and achieving sustained, inclusive and equitable economic growth and sustainable development, in accordance with national circumstances and

priorities."

The United States which opposed the resolution said that a statutory mechanism for debt restructurings would cause uncertainty in financial markets, and several states said the International Monetary Fund was the more appropriate body to handle the issue.

<http://www.reuters.com/article/2014/09/09/argentina-debt-un-idUSL1N0RA1X120140909>

Date Accessed: 10.9.2014

(Divashri Mathur)

Tasmania Anti-protest Bill Contravenes Australia's Human Rights Obligations – UN Experts

(UN News Centre, September 09, 2014)

A group of independent United Nations experts have urged lawmakers in Tasmania to refrain from adopting legislation against protests that disrupt businesses, saying the proposed bill would contravene Australia's human rights obligations. Tasmania is an island state, part of the Commonwealth of Australia.

The experts said that the legislation was disproportionate, and targets specific issues such as the environment.

Key Features of the Bill:

- Prohibits protests, whether on private or public property, that hinder access to business premises or disrupt business operations
- Imposes mandatory penalties, including fines up to 100,000 Australian dollars (\$93,000) for organizations and up to 10,000 Australian dollars (\$9,300) for individuals
- Repeat offenders face a mandatory minimum prison sentence of three months
- Lists specific industries, such as forestry, agriculture, mining, related to environment issues

The government which is debating upon the bill in the Tasmanian Upper House argues the law is necessary to prevent businesses being disrupted by protesters, especially as Tasmania has been the focus of debate and demonstrations on environmental concerns.

"The bill would have the chilling effect of silencing dissenters and outlawing speech protected by international human rights law, said David Kaye, the recently appointed Special Rapporteur"

The experts, who report to the UN Human Rights Council, noted that in March 2014, Australia co-sponsored Council resolution 25/38 that recognizes that peaceful protests can make a positive contribution to the development and strengthening of democracy, and urges States to facilitate peaceful protests by providing access to public space. "Given this, the experts pressed the government and legislature of Tasmania to be consistent with Australia's international commitments and withdraw the bill," stated the UN press release.

<http://www.un.org/apps/news/story.asp?NewsID=48676#.VBAo0vmSzKA>

Date Accessed: 10.9.2014

(Divashri Mathur)

EAST AND SOUTH EAST ASIA

Japanese Regulator Approves Restart of First Nuclear Reactors

(zeenews.india.com, September 10, 2014)

Japan's nuclear regulator gave the go-ahead to restart nuclear power stations. This is the first step to reopening of the industry after the Fukushima disaster of 2011. Kyushu Electric Power's two-reactor Sendai plant in southwestern Japan would start after local authority approval. This may take another year.

Under post-Fukushima rules, reactors are supposed to be decommissioned after 40 years. They can receive a 20-year extension but that is subject to more rigorous and costly safety regulations.

Public mistrust of the sector remains high after the Fukushima disaster. The government is pressing regulators to make the tough decision on whether to decommission the oldest of the country's 48 reactors. Weeding out reactors that are 40 years old or more may help win public trust in the rest of the industry.

As many as two-thirds of Japan's 48 idled nuclear units may never return to operation because of the high costs, local opposition or seismic risks, while one-third will probably operationalize eventually.

The Japanese Minister for Economy, Trade and Industry said that the decommissioning process should be smooth and accompanied with restart of nuclear power stations certified as safe.

http://zeenews.india.com/news/world/japanese-regulator-approves-restart-of-first-nuclear-reactors_1467594.html

Date Accessed: 10.09.2014

(Shriyam Gupta)

China Likely to Commit Over \$5 Billion Investment in India Soon

(Times of India, September 09, 2014)

China is likely to invest \$5 billion worth of industrial parks and sign purchasing pacts of about \$700 million with domestic companies in India. Agreements on these matters are expected when the Chinese President Xi Jinping's visits India on 17th September 2014 for a three day official tour. Deals in other sectors, such as railway and infrastructure, are also likely to be signed.

The industrial parks are expected to be set-up in Maharashtra and Gujarat and will manufacture high-end electronic goods. Chinese companies are likely to sign purchasing agreements with Indian firms to buy products such as copper cathode, sea food, cotton yarn, industrial salt and polypropylene. Such trade will help India reduce trade deficit with China that has reached \$35 billion in 2013-14.

Issues of trade and tariff reduction were discussed when the Minister of Commerce visited Beijing. India has also pushed for reduction of tariff for items such as cotton and handmade carpets. It is also hoping to sell vegetables and fruits to China.

The bilateral trade between the countries stood at \$65.85 billion in 2013-14. China has invested only \$410 million during April 2000 and June 2014.

<http://timesofindia.indiatimes.com/india/China-likely-to-commit-over-5-billion-investment-in-India-soon/articleshow/42118110.cms>

Date Accessed: 11.09.2014

(Shriyam Gupta)

EUROPE

Disunited Kingdom

(Rakesh Krishna Simha, *Tehelka*, September 13, 2014)

In a referendum set to take place on September 18, Scotland will choose whether to remain with Britain or not, deciding the fate of the 300-year old United Kingdom.

The biggest grouse of Scotland is the UK's Westminster model of Parliament. The English bribed the Scottish elites, with gold looted from India, to push through the *anschluss* or political annexation in 1707. Without India, the UK wouldn't have existed as a whole entity because the wealth from India was invested in reinforcing the social and economic fabric of Scotland. The money served only to gloss over differences between the two countries as London never set out to create an equal relationship.

With the loss of former colonies, the supply of easy money has ended. The Thatcherite State threatens to destroy Scotland's cost-free university education, non-privatised healthcare and state housing. The Scots are also being ripped off in shares of the North Sea hydrocarbon resources.

Britain stands to lose considerably if Scotland goes. London could face disputes over Scotland's share in the UK's gold reserves and debt. Scotland could stake claim to the UK's overseas territories such as the Falkland Islands. The Scottish National Party wants the UK's nuclear submarine base in Scotland evicted by 2020 and is calling for a constitutional ban of nuclear weapons in Scotland. Britain's military is a pale shadow of its former self and nuclear submarines remain the last vestiges of the country's might.

<http://www.tehelka.com/why-the-scots-want-a-disunited-kingdom-plebiscite-scotland-united-kingdom/>

Date Accessed: 08.09.2014

(Afreen Faridi)

AMERICAS

Over \$30 Billion In Dirty Money Leaves Brazil Each Year: Study

(Stella Dawson, *huffingtonpost.com*, September 09, 2014)

A study by Global Financial Integrity (GFI) found that over \$30 billion in dirty money linked to crime, corruption and tax evasion is flowing out of Brazil each year. This makes about 1.5 percent of the country's economic output. Trade mispricing is the primary way that illicit money leaves the country, accounting for 92.7 percent of the \$401.6 billion that flowed out of Brazil between 1960 and 2012.

The Brazilian president has taken a strong stand against corruption however administration's efforts have been overshadowed by widespread reports of corporate bribery, especially during construction projects for 2014 World Cup. State-owned oil company Petrobras is also embroiled in a foreign bribery case involving its contracts for production platforms.

Money is moved overseas through trade mispricing by fraudulent under billing or over-invoicing for goods. Worldwide these methods accounts for about 80 percent of illicit financial flows. In Brazil the rate is even higher and acts as a lubricant facilitating crime, corruption and the underground economy.

GFI says that these estimates may be higher because the study does not include bulk cash transfers used to smuggle drugs and arms. It has urged the government to take action against illicit financial flow that is draining resources of the country. Further it has urged the governments to shut down channels to launder money and provide greater transparency in international financial transactions.

http://www.huffingtonpost.com/2014/09/07/brazil-dirty-money_n_5781818.html?utm_hp_ref=world

Date Accessed: 10.09.2014

(Shriyam Gupta)

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