Opinion

WEDNESDAY, SEPTEMBER 13, 2017

DYNASTIC POLITICS ALL TOO COMMON

Congress vice-president Rahul Gandhi

Akhilesh Yadav is a dynast, Stalin (M Karunanidhi's son) is a dynast, Anurag Thakur (Prem Kumar Dhumal's son) too. That's ... just the way India runs. The question is if that person is a capable, sensitive person

Bullet train OK for China, but not for India?

Like the metro changed intra-city travel, this will do the same for inter-city movement and change urban dynamics

MOST OF THOSE who never tire of praising the massive rollout of China's infrastructure, including 22,000 km of a bullet train network, but feel it is too expensive for India, will do well to keep in mind China first started planning bullet trains when its income levels were far below what India's are today. Even if you ignore the fact that China first started planning bullet trains in the 1990s and just look at the date when construction first began—December 1, 2003—of the 2,078-km Shanghai-Wuhan-Chengdu line, China's per capita income was under $1,300; today, when India starts construction of the Ahmedabad-Mumbai stretch, its per capita income is over $1,800. The other objection, that looks more relevant now with the recent spate of accidents, is that the ₹1 lakh crore that the first stretch will cost is better spent on upgrading Railway safety, from new tracks to new coaches; indeed, since more people use the normal Railway network, there is more social good by doing so; linked to this is the issue of the high costs of running the bullet train network and whether it will ever break-even.

Both questions are incorrect, designed to give you a certain kind of answer. For one, the Japanese soft loan of around ₹90,000 crore is not available for upgrading the current network—so the choice is to take the loan and build the bullet train or to not take it and do nothing. The Japanese government has given other soft loans, such as for the western Dedicated Freight Corridor, but one loan can't be used for another purpose. A 0.1% annual interest with a 15-year moratorium makes it very cheap and though costs could rise to 2-3% per annum once you include the cost of hedging the currency risk, it is still quite cheap.

Though the JICA feasibility report had indicated the project would be viable at 1.5-2 times the current 2AC fares, this was based on a traffic volume that looks really high, at least right now. But keep in mind that almost no big infrastructure projects are viable on the basis of just the fares. When it was conceived, Delhi's Metro was very expensive, especially in relation to the bus network, but it has changed the face of Delhi—and if it is one of the few in the world that is profitable, this is because the Metro was given lots of free land to monetise by way of buildings/advertisements; the same will have to be done for all bullet trains. But imagine the change it will bring—people will be able to live in Ahmedabad or Surat or Vadodara or somewhere along the route and commute to/from Mumbai every day. The increase in convenience, the rise in land prices away from big cities and reduced congestion in big cities is the payback that the bullet train has to be measured against—a lower carbon footprint as more renewables are used to power it is another externality. As in the case of the Delhi metro, the greater the length of the bullet-train network, the higher the economics of scale. Given how the bulk of value-addition takes place in urban areas, and how India's urban population is growing, connecting cities well is critical to a country's growth. More aeroplanes between Ahmedabad and Mumbai, in this instance, are certainly a substitute for the bullet trains to transport people, but that's not costless as critics of the bullet train assume. Apart from the strategic lift to Indo-Japanese ties, Thursday's foundation-stone-laying—by prime ministers Narendra Modi and Shinzo Abe—is a big step forward in India's urban journey.

How safe is Aadhaar?

Fraudsters try new tricks, but so far UIDAI is ahead

WITH REPORTS COMING in of fraudsters creating fingerprints using laser printers and silicon, and using these to access part of the Aadhaar system—fraudsters slip on the silicon fingerprint to authenticate themselves—the worst fears regarding Aadhaar appear to be coming true. If the biometrics of those in charge of issuing Aadhaar numbers can be cloned, imagine what else can be done. Also, some have argued, hi-res photographs can also be used to create fake retinas to fool the system. Uttar Pradesh's special task force may have arrested this gang, but the fact that they got so far is worrying.

Certainly fraudsters will continue to evolve, and it is the job of a good system, not just Aadhaar, to stay one step ahead, to catch fraudsters and come up with solutions. By this yardstick, UIDAI which is the repository for Aadhaar, is doing a good job. The Kanpur bust, after all, was based on a UIDAI complaint. In order to ensure only authorised agents collect biometrics, UIDAI requires them to biometrically authenticate themselves. In this case, one agent created silicon copies of his own biometrics and gave these to various people who used them for authentication and then collected the biometrics of others. When UIDAI's computers found the same biometrics being used in different places, possibly even simultaneously, they threw up an alert and the gang got bust and the biometrics collected were junked. It was, similarly, an alert UIDAI's network threw up that resulted in the complaint being registered against Axis Bank/Suvidha/eMudra which was storing biometric data of one person and using this repeatedly to carry out transactions.

But if biometrics can be cloned, how will UIDAI stop/track this? For one, once person A complains of an unauthorised usage of his biometrics, UIDAI can track where it was used—at a ration shop or a bank—and linking all mobiles and bank accounts with Aadhaar means all transactions can be tracked. Two, last January, UIDAI decided that only biometric authentication requests that came from devices registered with it would be entertained. In the Kanpur case, another new feature came in handy—some time ago, in order to improve security, UIDAI insisted GPS trackers be used for each machine capturing biometric data; at some point in the future, even point-of-sale machines in ration shops or those with banks/merchants using AadhaarPay could also have GPS locators to help track users even more closely. Over time, fraudsters may develop ways around even this, and UIDAI will have to come up with more checks, but that's what all security systems in banks and credit card companies do all the time. The fact that even Aadhaar's biggest critics have not alleged the core database of biometrics has been breached must stand for something.

iPhone@10

Public enthusiasm over Apple's signature product has never really dimmed, even though shipments fell in 2016

TEN YEARS AGO, when Apple launched its first iPhone, it had the world in its thrall. Everyone wanted to possess what was arguably the first smartphone (as we know it today), but the hefty price tag meant only a few eventually did. The iPhone rode one wave of success to the other with the launch of each new variant, and it wasn't long before that it formed the substantial core of Apple's revenue. In 2013, iPhone revenues made Apple the US's ninth largest company by revenue, and in Q1 2015, the phone accounted for 92% of the global smartphone profit. While just 1 million units sold in 2007—it may seem small now, but it was a significant share of the phone market then—shipments reached a peak of 231 million in 2015. However, this fell to 212 million in 2016—and people have been asking ever since how long will iPhone be able to fan wind into Apple's sails?

The tenth anniversary edition—the eighth avatar—iPhone X is reportedly priced at $1,000. It has come a long way from the first model—the launch price was $499—that had poor battery strength and just 4GB of storage. It wasn't even equipped for 3G connectivity, that was catching on in the world around the time. But it was everything that the others weren't—it made every other device look behind the times. The earliest iPhone didn't offer something as basic as the ability to copy and paste text within and between programmes. By the time iPhone OS3 hit the market in 2009, supporting the feature, the competition had already made it as selling point. Now, the iPhone X may yet push it to become the first ever trillion-dollar company. Its screen will unlock through facial recognition, perhaps replacing fingerprint as the biometric to unlock the phone. Its screen will let the display kiss the edges. All these may seem very incremental, and perhaps nothing that would justify a $1,000 price-tag. But, keep in mind, public enthusiasm surrounding all things iPhone has never really dimmed.

STALE TECH?

GIVEN THE IMPROVEMENTS ARE INCREASINGLY INCREMENTAL & EASIER TO FIND ELSEWHERE, THERE'S NO GOOD REASON FOR ANYONE TO INDULGE THE COMPANY'S FAT PROFIT MARGINS

The future of the iPhone is boring

LEONID BERSHIDSKY
Bloomberg

THERE ARE OBJECTIVE reasons why some of Apple's new smartphones will sell for more than $1,000. The iPhones, including the top-of-the line X model—the 10th anniversary edition—will have some cutting-edge components, which are expensive and rare. Prices are increasing for all leading smartphones that come ever closer to combining computer and camera in one perfect device. But Apple also needs the higher margin to meet the enormous expectations of an increasingly competitive market.

To differentiate itself, a modern phone, especially a flagship one, needs an impressive screen, a processor able to handle some relatively advanced gaming, and a camera that can take pictures comparable to those of the best amateur cameras. It is getting increasingly difficult—even for Apple, with its superior supply chain management and ability to make or break suppliers—to source the right components in the necessary quantities. That drives up the cost of producing phones. According to IHS-Markit, the iPhone 6S cost $188 to manufacture, and the 32 GB iPhone 7 cost $220. The manufacturing cost of iPhone-X is expected to rise to a hefty $387.

Manufacturing costs are also going up for Samsung—to $307 for the Galaxy S8 from $264 for the S7—and for the makers of cheaper phones, such as Huawei, Lenovo and other Chinese manufacturers. Even though less is expected from their products, they cannot afford to lag too far behind in terms of features. But while the average prices of a phone sold by Apple and Samsung have held steady in the last couple of years, the makers of cheaper handsets, which have less of a profitability cushion, have noticeably increased prices.

Apple, however, is not just trying to keep its admittedly wide profit margins stable. If it made $550 on every iPhone 7 it sold (with only production cost, and not the company's other expenses, taken into consideration), a price of $1,000 for the X will bring in $613. Is Apple actually getting greedier, figuring its customers, hooked on the company's closed ecosystem and constantly improving services, can't go anywhere?

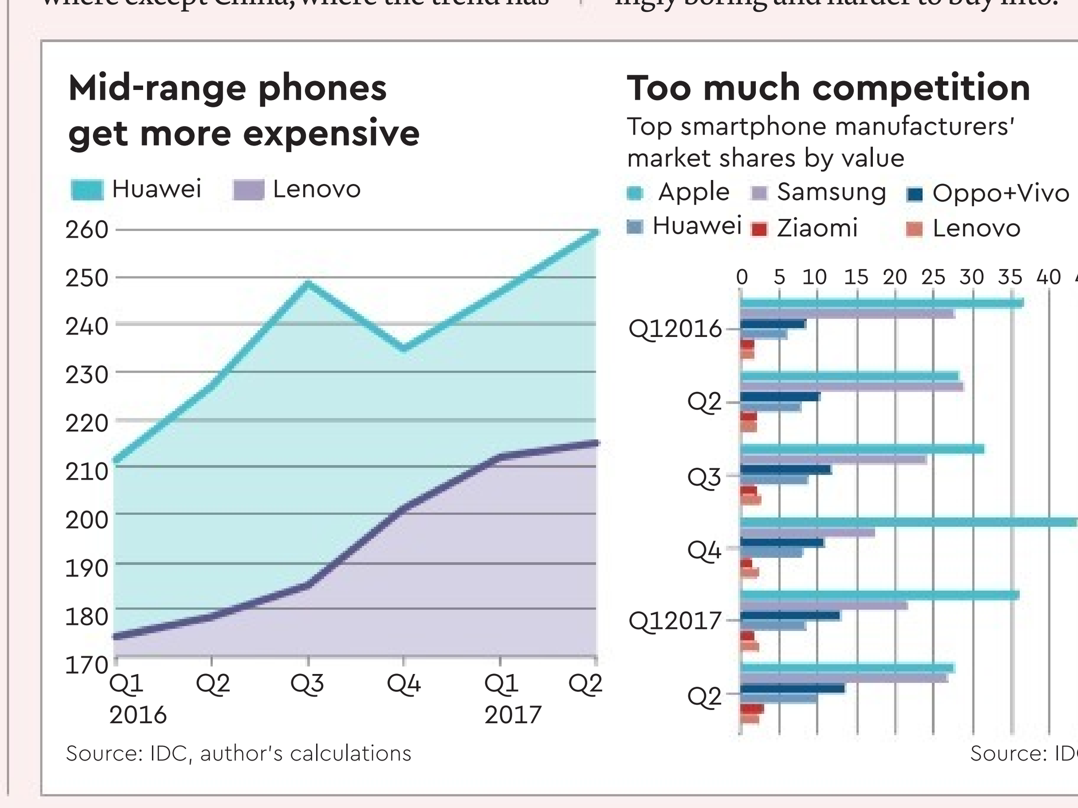
I doubt it. This is a difficult environment for greed. Apple knows that its installed base is getting older; according to one estimate, by mid-2018, 35% of working iPhones will be at least two years old. There are two reasons people aren't upgrading to the new model as fast as they used to: Mobile operators in the US and Europe have stopped subsidising handsets, and the annual changes to the smartphones have ceased to make a difference to many users. A 2015 phone can pretty much do the same things as a 2017 one. Apple managers understand they are running a risk with a $1,000-plus price tag: People will wonder whether any phone, no matter how advanced—even one that's all screen, even one that's equipped with facial recognition like a Microsoft Surface and wireless charging like a Samsung—is worth that much money.

The decision to market an ultra-expensive device likely stems from necessity. Apple needs to keep showing growth in order to maintain its lofty valuation. The iPhone is still the mainstay of Apple's business, steadily generating about two-thirds of the company's revenue in the quarter immediately after a new model is released, and it is important to shore up its sales. Increasing prices is the only way to post significant growth in a mature, relatively slow-growing market where your market share is stagnating. According to IDC, Apple's market share by value, 27.6% in the last full quarter, was slightly lower than at the same point in the product cycle last year. That's also been a pattern for the other market leader, Samsung. The only big manufacturers showing market share increases are Chinese ones—Huawei, Xiaomi, and BBK Electronics brands Oppo and Vivo.

Apple, ever the crafty marketer, is trying to maintain sales volume by releasing its usual incremental update, the iPhone 8, along with the $1,000 iPhone X. Only the biggest admirers of the brand and those who like to show off their wealth will go for the anniversary model—and their purchases should give the whole line a revenue boost. The end result may well prove euphoric to markets.

It is already impressive that Apple has avoided steep revenue drop-offs everywhere except China, where the trend has been negative for quite some time. There's really no good reason for anyone to indulge the company's fat profit margins in the absence of operator subsidies. Chief executive Officer Tim Cook has done a stellar job of maintaining the brand's cachet and expanding the model range to appeal to a range of incomes. The Apple services ecosystem, which Cook has worked hard to expand, gives the company a long-term edge over Samsung, whose software efforts keep falling flat. It is much harder for the Korean company to push prices over the $1,000 line, and it needs to do that for the same reasons as Apple—rising costs and stagnating market share.

But the Chinese threat to both leaders remains: The option of not paying for familiar logos, just for the actual phone, is there for consumers to pick until the leaders come up with something that truly adds value. That, most likely, won't be a brighter screen, a better camera, a slightly faster processor or even the ability to graft one's facial expressions onto emojis—one of iPhone X's probable features. The incremental game, even if played with Cook's mastery, is increasingly boring and harder to buy into.



IBC's home-buyers conundrum

While the SC has asked Jaypee to deposit ₹2,000 cr with it, where home-buyers stand under IBC is a very complex question

ABIR ROY
Partner, Lakshmikumaran & Sridharan
Views are personal

AFTER CLARIFYING THE rights of the creditor and debtor under the recent Insolvency and Bankruptcy Code (IBC), the Supreme Court is now faced with a public interest issue surrounding the application and interpretation of IBC to home-buyers. This case would have ramification across the real estate sector, and the industry must gear itself for not only the Real Estate Regulation Act, but also the rights of home-buyers under IBC.

In the case pertaining to Jaypee Infratech Limited (JIL), the Supreme Court, on September 11, directed that (i) the insolvency resolution professional (IRP) shall forthwith take over the management of JIL—the IRP shall formulate and submit an Interim Resolution Plan within 45 days and the said interim resolution plan shall make all necessary provisions to protect the interests of the home-buyers—and (ii) the advocates representing the home-buyers shall participate in the meetings of the committee of creditors under Section 21 of the IBC to espouse the cause of the home-buyers and protect their interests.

Given this backdrop, the following actions may be undertaken and the following issues may arise which would require the intervention of the SC from time to time

Proof of claims: The operational and financial creditor of JIL, respectively, shall submit to the IRP, Form B and Form C, evidencing their claims, as required under the Insolvency Resolution Process of Corporate Persons Regulations, 2016. Going strictly by the definitions of financial debt and operational debt provided under the IBC, the home-buyers may not be construed as either financial or operational creditor. They will have to then submit their claims under Form F. The IRP would then collate all the claims against JIL.

Constitution of committee of creditors: Once the claims are collated, the IRP would then have to constitute a committee of creditors. Based on the provisions of the IBC, the committee of creditors would only consist of financial creditors.

Appointment of resolution professional: As per the IBC, the first meeting of the committee of creditors shall be within seven days of the constitution of the committee, and the creditors, by a majority vote of 75%, must either resolve to appoint the IRP as the RP or appoint another RP. All the necessary compliances in this regard under the IBC will have to be made, and since the matter is now sub-judice before the SC, necessary applications may also be required to file before the apex court.

The IBC provides that notice of the committee meetings would be given to the suspended board members and operational creditors if the amount of their aggregate debt is not less than 10% of the debt. However, the suspended board members and operational creditors shall not have a right to vote in such meetings. Also, the IBC provides that financial creditor shall vote in accordance with the voting share assigned to him based on financial debts owed to such creditor and the RP will determine the voting share to be assigned to each creditor. By the direction of the SC, the advocates representing the home-buyers will participate in the creditors meeting. But, the following issues could arise: (a) Will the representative of the home buyers have the power to vote in creditors meetings; and (b) If yes, what would be the proportion of their vote? This issue would further gain prominence because the RP can undertake some actions, like raising interim finance, creating any security interest, etc, only after getting approval from 75% of the voting share of the creditors and such actions may affect the rights of the home-buyers.

The Supreme Court has directed the IRP to submit an interim resolution plan within 45 days which shall contain all the necessary provisions to protect the interest of the home-buyers. It is a herculean task considering that the interim plan must take into account the interest of all stakeholders, including that of the home-buyers, involved.

Also, the SC will have to take into consideration the fact that under the IBC, if the resolution process is not complete within a maximum period of 270 days, liquidation would be initiated. The waterfall mechanism in case of liquidation has been prescribed under the IBC, and the issue that would come up is to analyse the position of home-buyers in the said waterfall mechanism provided under Section 53 of the IBC. While the SC has protected the interest of the home-buyers in the interim by asking JAL to deposit ₹2,000 crore with it, the issue with respect to interpretation of law are still left wide open and same would have to be taken after due inputs from all stakeholders: the Centre, banks and home-buyers.

Thus, we see that the issues which have been raised in this case are very complex and nuanced, and the Supreme Court would have to ensure that the interest of the home-buyers are protected without affecting the letter and spirit of IBC.

LETTERS TO THE EDITOR

Agriculture needs more than waivers

Apropos of 'Missing the pulse, again and again' (*FE*, September 12), Indian agriculture is in dire need of mechanisation and modernisation to make it a self-sustaining commercial activity. It has become more of a compulsion for the farmers instead of a promising career opportunity. Dry lands are the worst-hit by agrarian crisis and deserve special treatment. It is common knowledge that farming is of little viability on small holdings in dry lands. When nature rides roughshod over debt-ridden farmers in the form of erratic monsoon and crop failures, they face grim options. Indebtedness is a key reason for the many farmer suicides in the country. Loan waivers provide some relief to farmers in such situations, but there are debates about the long-term effectiveness of the measure. Waiving loans addicts the farmer to the concept that repayment is not to be expected. It is just like giving alms to able-bodied begger and perpetuating begging habits. It is to be remembered that loan waiver has not helped the farmers as it is a relief only for one season with the farmers going back to grind in the next. Giving such a sop is also not economically viable as it reduces government's fiscal power to intervene when needed the most. Here, the point is not that government should not help distressed farmers. Some recent government initiatives such as developing an open market for agricultural produce, increasing coverage of crop insurance, building rural roads, among others are likely to be useful to the farming community. A similar strategy could be adopted for cash crops like pulses that have not fetched farmers the right price this year.

—Vinod C Dixit, Ahmedabad

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Time for some reality check on *achhe din*

India's growth has been lopsided driven by government and private spending. Private sector investment hasn't recovered sustainably for two years. Jump-starting the economy through financing growth is also not possible when banks are burdened with NPAs

ECONOMISTS, OF LATE, have had a tough time predicting India's GDP growth trajectory. Just when the market was expecting growth to recover post-demonetisation, GDP growth print for Q1FY18 slid below market expectations to 5.7%. This is the lowest quarterly growth in the last three years. Along with this low growth print, two other things warrant attention. In H1-2017, nominal merchandise imports growing by 28%, and the rupee appreciating by over 4% against the US dollar.

First, the GDP numbers. The Q1FY18 growth number of 5.7% definitely reflects a considerable slowdown in economic activity. Industrial growth is at a five-year low, investment activity has failed to pick up, and export growth remains tepid. Services, however, have been buoyant, registering a strong growth of 8.7%, primarily led by trade, hotels, transportation and communication services. Slowdown has been attributed to de-stocking of inventory in the run up to GST and aftermath of demonetisation. IIP and PMI numbers, too, have remained weak. Growth for the first two quarters of 2017 stands at 5.9%.

This brings us to our second observation—the surge in merchandise imports in H1-2017. Major import items that have surged in the first half of 2017 are gold and precious stones, electronic goods, crude and petroleum products, and ores and minerals. However, growth in capital goods imports like machinery and transport equipment has been benign due to weak domestic investment activity. Gold imports surged 121% in H1-2017, accounting for 10% of overall imports in this period. This may be a result of inventory build-up by the jewellers ahead of the GST roll-out. Another possible explanation for this could be that consumers are moving away from bank deposits and real estate towards gold amidst macroeconomic uncertainty. Crude oil imports went up by 42%, making for around 23% of overall imports. Coal and coke imports also surged 60%, accounting for almost 5% of overall imports. Even without including oil, coal, gold, precious stones and capital goods, imports are up 15% in H1-2017, reflecting a broad-based pick-up in imports. This number was 21% in Q1FY18.

Third, the rupee over the same period has appreciated by over 4%. Most of the appreciation of the rupee has been attributed to the dollar's weakness.

So, how does all of this link up? Recall that GDP is computed using the formula (GDP=C+I+G+X-M), where C stands for (consumption), I (investment), G (government expenditure), X (exports) and M (imports). From the demand side, GDP is defined as the expenditure on domestically-produced goods and services by households, government and private enterprises, including exports. Thus, expenditure on imported goods and services (M) needs to be subtracted to compute GDP.

The demand-side data throws up some interesting observations. In terms of contribution to real GDP growth, while private and government consumption together contributed to over 95% of the growth, the biggest drag to GDP has come from import of goods and services (shaving off 2.8 percentage points). Imports (real terms) increased by 13.4% in Q1FY18, compared to a tepid export growth of 1.2%, and at the same time consumption expenditure grew at a decent pace of 8.5%. Imports excluding gold and precious stones accounted for almost 20% of the total consumption in Q1FY18, as compared to 18% a year ago.

This is worrying because it reflects imported goods being substituted for domestically-produced goods amidst weak domestic industrial activity. Based on historical data, we see a strong correlation between import growth and rupee appreciation. A 4% appreciation in the rupee-dollar rate has led to a surge in nominal merchandise imports by 28% in H1-2017.

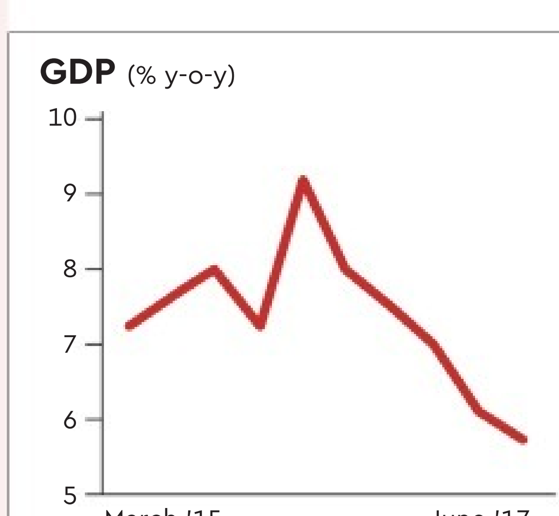
Increase in imports could also reflect the overhang of demonetisation. With domestic supply chains rendered broken, firms might have found it easier and cheaper to import goods rather than produce them. Strong import growth is not bad per se when accompanied by robust domestic economic activity. However, when domestic activity remains weak and the manufacturing industry is witnessing a slowdown, it warrants the attention of policy-makers as this means that domestic demand is not being met by domestic production—so much for Make-in-India!

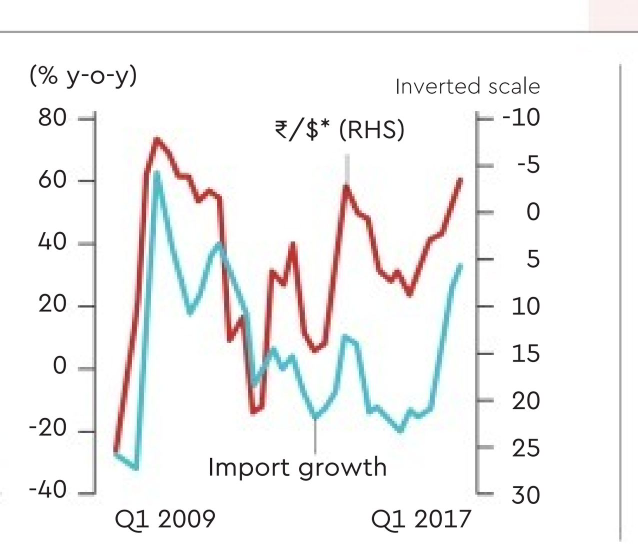
Is this to say that the appreciation of the rupee is hurting growth? The real underlying issue is that India's growth has been lopsided driven by government and private spending. Private sector investment hasn't recovered in a sustainable manner for the past two years. Jump-starting the economy through financing growth is also not possible when banks are burdened with NPAs.

According to the latest RBI business expectation survey, businesses face weak pricing power amidst increased input prices and weak demand. The situation is expected to continue in Q2FY18. Overall expectations for Q2FY18 remain weak, lower than Q1FY18. A majority of the respondents don't expect much of a change in their capacity utilisation. The viscous cycle continues with no broad-based recovery in sight.

On investment side, corporate balance sheets are stressed and fresh investments are not being undertaken. Private investment cycle has failed to pick up despite efforts by the government and rate cuts by RBI. Gross fixed capital formation, as a percentage of GDP, has been declining since 2011—falling from 34.3% in FY12 to 29.5% in FY17—which is worrisome.

The first step towards solving a problem is to acknowledge the real issue. It's time for some reality check on *achhe din!*





	Growth 1H17 (%y-o-y)	% share 1H17
Petroleum, crude and products	42.2	23.8
Electronic goods	29.1	12.3
Gold	121.9	10.2
Pearl, precious, semi precious stones	37.6	8.2
Machinery, electrical and non-electrical	0.4	7.3
Coal, coke and briquettes, etc	60.2	5.1
Organic and inorganic chemicals	14.1	4.5
Transport equipment	-9.9	3.7
Artificial resins, plastic materials, etc	10.9	3.2

Source: CEIC

InfraTweets

VINAYAK CHATTERJEE

Chairman, Feedback Infra
Twitter handle: @Infra_VinayakCh

The unlikely transport lifeline

Rlys ferry 23 mill passengers/day = population of Australia. But how many realise that State Transport buses ferry 70 million pass /day ?!

● Banking on buses
100 of the largest Indian cities need $15.4 bn for purchasing 150,000 new buses and developing transport infra. As per the road transport ministry, opening up bus transport to further pvt investment will increase daily ridership to 120-150 mn.

With tough talking to heads of State Transport undertakings, Minister Gadkari sets about initiating long overdue reforms in bus services.

● Towards better bus services
Gadkari asked state transport undertakings to reform or forfeit any help from the Centre. Their fleet must include electric vehicles and they must switch to cleaner fuels like ethanol and DME.

Half-way house to a National Power Procurement Co? Govt to start with 2000 MW pilot for centralised power purchases from stressed gencos

● Powering gencos' revival
The govt plans to help 34 stressed plans with a capacity of 40,000 MW, with a combined debt of ₹1.77 lakh cr. Power Finance Corp or Power Trading Corp will do the procurement and call for tariff-based bids from states.

NHAI goes international : Awarded first project overseas - in Myanmar. ? 1717 cr contract for upgradation of 120 km Yagyi- Kalewa section

● NHAI goes to Myanmar
The project was awarded to a joint venture between two private companies. The JV will build the two-lane road in three years and maintain it for a further three. An opportunity to showcase India's prowess in infra development.

Good decision to use Hybrid Annuity Model (HAM) to start implementing sewage treatment plants along Ganga. Best PPP framework for the task

● HAMmering out Ganga clean-up
Thirty-plus firms came for the pre-bidding meetings for the 50 million litres per day (MLD) STP at Varanasi and the 82 MLD treatment capacity in Haridwar. The contract is for 15 years.

After Jharsuguda , Mundra in Gujarat also set to transform from an airstrip to a full - fledged commercial airport under UDAN scheme.

● Mundra gets an airport
Under the regional connectivity scheme, the private airline that won the bid will operate Mundra-Ahmedabad-Mundra flights. The Mundra air-port is to also function as an cargo hub with night landing facility, baggage handling, fuel refilling,etc, at an estimated cost of ₹1,400 cr

Much buzz around it ~ At ₹46,000 crs MSRDC's Mumbai-Nagpur Expressway is one of the largest construction contracts ever. Bid date Sept 27

● Expressway deadline shifted
Only eight of 27 bidders were found eligible. This is the fourth time that MSRDC has moved the deadline for submission of bids. It will relax a few conditions to attract more bidders.

Hyper activity : Hyperloop signs MoU with Govt of AP for link between Amravati & Vijaywada on PPP basis . Future is in our backyard!

● Good speed on hyperloop
Hyperloop Transportation Technologies will conduct a feasibility study over six months beginning October—hyperloop can cut the hour-long journey between the two cities to just 5 minutes. India, which missed bullet train adoption 30 years ago, is making timely moves on hyperloop.

Rail Dev Auth resolution passed by Cabinet in May 2017 to separate regulatory role from operations . Now for @PiyushGoyal to take forward

● Putting Rail Development Authority on track
RDA got DoPT's nod for appointment of key personnel in end-August. RDA, apart from fixing passenger fares and freight charges to recover costs while staying competitive, will also ensure quality of service and facilitate investment in Railways.

A weekly collection of the author's tweets

Was Dokalam really a stand-off?

India has historical ties with Bhutan, but now China has managed to establish a role for itself in the region

YOGINDER K ALAGH

Chancellor, Central University of Gujarat, and former Union minister

THE MUTUALLY AGREED withdrawal of forces at Dokalam on Bhutan's border is a step in the right direction. To raise it in the high-level discussions with Japan is even better. Japan is the only country which has said that it will assist India in a crisis here. The government's stand here has received unanimous political acceptance, which is good because international relations should normally be based on national consensus. However, the political leadership of different parties seem to have missed an important perspective on this issue. The National Security Adviser reportedly told his Chinese counterparts that India has security obligations to Bhutan. This is as far as what we can state in international law, but in the practice of international diplomacy, India's concerns on Bhutan are more substantial. We are tied with this beautiful Himalayan kingdom by many centuries of historical relations. These are of religion, culture, shared societal experience and shared memories. These societal perspectives can never be easily documented, yet have a standing in international law. They are in fact more substantial than diplomatic practice emerging from treaties. Once, on a state visit to Mongolia, in Ulan Bator, at our ambassador's reception, the American ambassador told me no one can compete with the Indians in diplomacy here. To my puzzled query, he said your ambassador here is a living God to one out of every ten Mongols. In fact the Ladakhi leader Lama was our ambassador there, and was the head of the Buddhist sect that is most popular in Mongolia. Our relations with Bhutan fall in that category. The Chinese know this brand of ties for it is there for them in Hong Kong and Macau and, of course, claimed in Tibet, although without the Han influence.

China has, while getting India to agree to a diplomatic mutual withdrawal, attempted to dent that larger perception, between us and Bhutan. It has created a role for itself on the border with India. This is a more substantive issue and needs to be handled diplomatically in many different ways. It was interesting that apart from Japan, other 'friendly' countries which "stood up" as our spokesmen were not quite alert of the Indian position by asking for peaceful negotiations on the stand-off. This cannot be the complete Indian position. The recognition that Bhutan and India had, and have, special ties of history, culture and ways of approaching the world has to be at the heart of Indian diplomacy. It is not for nothing that the Brits had seen Afghanistan and Baluchistan as the frontiers of India's security in the West and Tibet in the North and the countries of the Mekong Valley as security frontiers in the East, since Myanmar was a part of British India. That perspective—correcting for the changes since—is still important, and Bhutan is right there. But the important circle around India is a question at the heart of strength in an uncertain world. The Mekong, Singapore and the East Indies is the security frontier. Friendly countries on the outer rim in so-called concentric circles of influence is a larger way of looking at the problem. Such circles of influence can be with African and West Asian perspectives in the West, for the South East Asian perspective and then going on to Europe in the West and the Pacific in the other direction.

The current problem of looking inwards in search of imagined 'enemies' within, and, in fact, criminal godmen, assorted criminals, politicians with murder charges, etc, are taking away the sheen from the great values that the Republic was founded with. India is now seen to be ceremonially acknowledged by major powers since its trade potential and economic punch is high. But it is not being kept in any major search for solution to global problems in a manner that it was even three to five years ago.

It is, in a way, tragic that the average citizen can only go in desperation to an independent judiciary and civil servants of the old steel frame who are holding fort against saboteurs of the nation. These fine women and men, had they not been trapped here, could have spread India's frontiers in thought and influence rather than simply fight the cancers within. One can only hope that we will find the path to get India aligned with rising ambitions as it moves into the 75th year of its modern existence.