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**IAS ACADEMY**

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# VEDHIK

## DAILY NEWS ANALYSIS

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## **FOREWORD**

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs\_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs\_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

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# ‘Include chapter on Borphukan in syllabus’

**SPECIAL CORRESPONDENT**  
GUWAHATI

Assam Chief Minister Himanta Biswa Sarma has written a letter on Thursday to his counterparts across the country to include a chapter on Ahom army general Lachit Borphukan in the textbooks of educational institutions in their respective States. The request is among a series of initiatives

undertaken by the government for the year-long celebration of the iconic 17th-century military strategist’s 400th birth anniversary.

“Lachit Borphukan’s valorous leadership led to the decisive defeat of the Mughals at the Battle of Saraighat in 1671, registering for him a unique space in the annals of Assam history,” Mr. Sarma wrote.

# New Delhi maintains 'studied silence' on Taiwan crisis

India avoids controversy at a sensitive time in border talks, but doesn't wish to claim allegiance to 'One China policy' either

SUHASINI HAIDAR  
ANANTH KRISHNAN  
NEW DELHI/BEIJING

Amid growing number of international reactions to developments in the Taiwan straits and tensions between the U.S. and China, New Delhi chose to maintain a "studied silence" on the unfolding situation, omitting any mention of it even in talks held by External Affairs Minister S. Jaishankar on the sidelines of the Association of South East Asian Nations (ASEAN) summit in Phnom Penh. The decision not to issue a statement, said officials and experts, is deliberate, as New Delhi seeks to avoid a controversy on a sensitive issue between the U.S. and China, and also given that In-

dia, unlike other countries in the region, has not referenced the "One China" policy since at least 2010.

On Thursday, Mr. Jaishankar attended the ASEAN-India summit, and held talks with U.S. Secretary of State Antony Blinken, as well as Foreign Ministers of Australia, Sri Lanka and Vietnam.

Mr. Jaishankar called the talks with Ministers "productive" and "warm", and said he had discussed a number of issues with ASEAN countries including the "Indo-Pacific, UNCLOS, connectivity, COVID-19, terrorism, cybersecurity, Ukraine and Myanmar", without referencing the Taiwan situation. "The two exchanged views on global and regional

issues, including Russia's brutal aggression against Ukraine and the implications it has had on food insecurity around the world," said the U.S. State Department in its readout of the Jaishankar-Blinken meeting, adding that they also discussed Sri Lanka's economic crisis and "promoting accountability for the [Myanmar] regime's atrocities".

Officials and experts said New Delhi's decision not to comment on the situation unfolding after the visit to Taipei by U.S. House Speaker Nancy Pelosi followed by China's sharp reaction, military exercises and missile tests, is a "carefully decided" one, aimed at ensuring India does not wish to cause a con-

troversy with China at a sensitive time in border talks, but doesn't wish to claim allegiance to the "One China policy", either. "A loud silence is probably the best response to the situation," a former senior official, now retired, said.

While India has followed the "One China policy" since 1949, indicating it does not recognise any government other than the PRC in Beijing, and only conducts trade and cultural ties with Taiwan, New Delhi stopped mentioning the policy in official statements and joint declarations after 2008. According to officials at the time, the government had taken the decision after a series of Chinese statements

claiming Arunachal Pradesh as a part of the Chinese territory, renaming Arunachal towns with Mandarin names, and issuing "stapled visas" to Indian citizens who were residents of Jammu and Kashmir and Arunachal Pradesh. In 2010, during meetings with President Hu Jintao in Brasilia, and Premier Wen Jiabao, joint statements with Prime Minister Manmohan Singh did not refer to the "One China principle". "The thinking was, why is there a need to reiterate the 'One-China policy' when China was not taking our sensitivities into account," said one senior retired official, adding that it wasn't a change in policy but a decision to not repeat it. "We conveyed that if

the Chinese side desired India to state the 'One China policy', then it should respect a 'One India principle'," said another former official. The officials confirmed that in 2014, External Affairs Minister Sushma Swaraj had endorsed the decision too.

In separate statements issued this week, however, ASEAN Foreign Ministers and countries in the region such as Bangladesh, Sri Lanka and Pakistan had pointedly affirmed their commitment to the "One China policy". "Pakistan is deeply concerned over the evolving situation in the Taiwan Strait, which has serious implications for regional peace and stability," said the statement issued by the Pakistani Foreign Office.

# After Taiwan, Pelosi wraps up S. Korea visit

In Seoul, she holds talks with Assembly Speaker, avoids public comments on China-Taiwan relations

ASSOCIATED PRESS  
SEOUL

After infuriating China over her trip to Taiwan, U.S. House Speaker Nancy Pelosi met South Korean political leaders in Seoul on Thursday but avoided making direct public comments on relations with Beijing and Taipei that could further increase regional tensions.

Ms. Pelosi, the first House speaker to visit Taiwan in 25 years, said on Wednesday in Taipei that the American commitment to democracy on the self-governing island and elsewhere “remains ironclad”. In response, China on Thursday began military exercises in six zones surrounding Taiwan.

After visiting Taiwan, Ms. Pelosi and other members of her congressional delegation flew to South Korea – a key U.S. ally where about 28,500 American troops are deployed – on Wednesday

evening, as part of an Asian tour that included earlier stops in Singapore and Malaysia.

She met South Korean National Assembly Speaker Kim Jin Pyo and other senior members of Parliament on Thursday. After that hour-long meeting, Ms. Pelosi spoke about the bilateral alliance, forged in blood during the 1950-53 Korean War, and legislative efforts to boost ties, but didn't directly mention her Taiwan visit or the Chinese protests.

“We also come to say to you that a friendship, (the) relationship that began from urgency and security, many years ago, has become the warmest of friendships,” Ms. Pelosi said in a joint news conference with Mr. Kim. “We want to advance security, economy and governance in an inter-parliamentary way.”

Neither Ms. Pelosi nor Mr.



Nancy Pelosi, left, poses with Kim Jin Pyo before their meeting at the National Assembly in Seoul on Thursday. ■ AP

Kim took questions from journalists.

Mr. Kim said he and Ms. Pelosi shared concerns about North Korea's increasing nuclear threat. He said the two agreed to support their governments' push for denuclearization and peace on the Korean Peninsula based on both strong deter-

rence against North Korea and diplomacy.

Ms. Pelosi and her delegation later spoke by phone with South Korean President Yoon Suk Yeol on the alliance, foreign policy and other issues. Mr. Yoon is on vacation this week, but critics accuse him of intentionally shunning a face-to-face

meeting with Ms. Pelosi in consideration of ties with China, South Korea's biggest trading partner. Mr. Yoon's office said it had reviewed national interests and that Mr. Yoon's vacation plan had already been set up when, about two weeks ago, Pelosi's side contacted his office about a possible meeting.

During the phone conversation, Ms. Pelosi and other members of her congressional delegation didn't bring up the Taiwan issue, and Mr. Yoon also didn't raise the matter, his office said.

In recent years, South Korea has been struggling to strike a balance between the U.S. and China as their rivalry has deepened. Mr. Yoon, a conservative, took office in May with a vow to boost South Korea's military alliance with the U.S. and take a tougher line on North Korean provocations.

# China holds military drills, fires missiles near Taiwan

Beijing's 'unprecedented' response after Pelosi's Taipei visit

ANANTH KRISHNAN  
BEIJING

China's military on Thursday began unprecedented live-firing drills in six regions surrounding Taiwan, firing missiles from its eastern coast into waters east of the island and putting in place an effective blockade that disrupted flights and shipping.

The drills, which will continue until Sunday, were part of Beijing's response to Wednesday's visit by U.S. House Speaker Nancy Pelosi to Taiwan.

"What we are taking and will be taking are a necessary and timely response and countermeasures which have been fully thought through and fully assessed, to protect sovereignty and territorial integrity, in line with international laws, and a warning to provocateurs," Foreign Ministry spokesperson Hua Chunying said, announcing that Beijing had also called off a meeting set for Thursday between the Foreign Ministers of China and Japan to express its displeasure over a statement by the G7 group of nations that had defended Ms. Pelosi's visit and criticised China's actions.

"They clearly believe they live in the time of 120 years ago," she said, comparing the G7 to the eight-nation al-



**Tough posturing:** The Rocket Force of China's PLA launching a missile into the waters off the coast of Taiwan. ■REUTERS

liance that invaded China in 1900. "We no longer live in a world where Imperialist powers can ride roughshod over Chinese people on Chinese land. Today's China is not the old China of 100 years ago that was humiliated and bullied."

Thursday's drills, carried out by the PLA Eastern Theater Command, were a show of force aimed as much at Taiwan as at the domestic audience in China, coming after Beijing's public warnings failed to deter Ms. Pelosi's visit.

Starting at mid-day on Thursday, the long-range live-fire exercise carried out "precision strikes on specific areas in the eastern part of the Taiwan Strait," Senior Colonel Shi Yi, spokesperson for the Eastern Theatre Command, said, adding that units of the rocket force conducted a "multi-zone fire assault drill".

Chinese State media described the drills as "unprecedented" and noted that missiles, fired from the eastern coast of China, had likely flown above the island of Taiwan for the first time, as they had struck targets in waters to the east. Drills included the Dongfeng DF-17 hypersonic missile, State broadcaster China Central Television said.

Chinese media reports said the conventional missile launches had practiced hitting foreign aircraft carriers to test China's area denial capacities in the event of external intervention in a future conflict.

Taiwan's Ministry of Defence said 11 Dongfeng series missiles had been fired into waters north, south and east of the island and marked the first time missiles had been fired over the island.

# China holds military drills near Taiwan

Taiwan's Foreign Ministry called the firing "a provocation" that "is threatening our security, escalating tensions in the region, and interrupting international transportation and trade."

Chinese analysts said the drills were meant to signal a new normal in China's military activities around Taiwan.

Besides missiles flying over Taiwan, drills also took place within 12 nautical miles in what Taiwan considers its territorial waters.

The drills in six regions

were meant as an effective blockade, the Communist Party-run *Global Times* reported, noting that they could be deployed for longer periods in the future should the need arise. Two of the exercise zones were off the coast of the ports of Taipei and Keelung, while the southern and eastern zones were off the ports of Kaohsiung and Hualien. Ships and flights will not be able to enter the waters and airspace in the six regions until the exercises conclude on Sunday.

# CJI proposes Justice U.U. Lalit as successor

Chief Justice N.V. Ramana is retiring on August 26

**SPECIAL CORRESPONDENT**  
NEW DELHI

Chief Justice of India N.V. Ramana on Thursday recommended to the government the name of Justice Uday Umesh Lalit as his successor and the 49th Chief Justice of India.

CJI Ramana personally handed over a copy of his letter of recommendation dated August 3 to Justice Lalit when they met for tea in the Supreme Court in the morning before court.

At 9.30 p.m. on Wednesday, Chief Justice Ramana had received a communication from Law Minister Kiren Rijiju seeking his recommendation for the appointment of the next top judge.

Sources said CJI Ramana recommended Justice Lalit's name in a matter of minutes after receiving Mr. Rijiju's letter.

Chief Justice Ramana is



**Legal doyens:** Chief Justice of India N.V. Ramana, right, with Justice U.U. Lalit on Thursday. ■ SPECIAL ARRANGEMENT

retiring on August 26, 2022. Justice Lalit is the senior-most judge in the Supreme Court now.

The 'Memorandum of Procedure of Appointment of Supreme Court Judges' says "appointment to the office of the Chief Justice of India should be of the senior-most judge of the Supreme Court considered fit to hold

the office". The process, according to the Memorandum, begins with the Union Law Minister seeking the recommendation of the outgoing CJI about the next appointment.

Justice Lalit, if appointed, would have a tenure of hardly three months.

He is set to retire on November 8.

# Dialling right

Government should ensure that exchequer and the public benefit from spectrum sale

India's latest auction of telecommunications spectrum, including of bands ideally suited for offering fifth generation (5G) technology services, drew bids exceeding a record ₹1.5 lakh crore in a clear sign that the industry is on the path to recovery. As expected, Reliance Jio emerged as the top bidder, cornering 48% of the airwaves that were acquired by offering more than ₹88,000 crore in total. Bharti Airtel bid just under half that amount for 39% of the spectrum sold, while the most debt-laden Vodafone Idea came in a distant third by committing close to ₹19,000 crore for about 12% spectrum. And in an interesting development that will need close watching, the deep-pocketed, and aggressively expanding Adani Group made its first foray into the telecom space by successfully bidding for a very small but targeted quantum of spectrum – ostensibly for captive use – in the highly sought after 26 GHz band that is considered ideal for 5G services. While the Government has netted just over a third of the ₹4.3 lakh crore reserve price it had set for the spectrum on offer, the fact that 71% of the airwaves on the block won bids is testament to the improvement in the industry's health. The Centre's move last year to ease regulatory norms around payment of dues, including a four-year moratorium on outstanding payments and the redefinition of adjusted gross revenues to prospectively exclude non-telecom earnings, allowed service providers a breather and helped them attract investor interest as also spread liabilities over a staggered period.

Separately, industrywide increases in tariffs also helped lift average revenue per user at the telecom service providers, boosting margins. The Government's policy decision to return bank guarantees to telcos must have helped improve their eligibility for debt – crucial for capital expenditure. And with spectrum usage charges also binned, the enhanced flexibility likely allowed enthusiastic participation from all three private players, a far cry from when the very survival of Vodafone Idea was in doubt. However, the auction also offers crucial lessons. The high reserve price likely dampened enthusiasm for certain spectrum bands. While the 3.3 GHz and 26 GHz were snapped up at the reserve price in several service areas, the 600 MHz was left untouched, and 60% of the 700 MHz spectrum remained unsold. The latter is ideal for rural connectivity as well as signal penetration inside buildings in urban areas. If spectrum is seen as a precious national resource, the Government would do well to not let it lie unused and instead price it in an optimal manner so as to ensure that both the exchequer and the public at large, including in remote rural corners, benefit.

# Is the declining rupee a crisis or an opportunity?

PARLEY

There is an expectation of further depreciation, which can lead to further capital outflows

*The rupee's steep slide to the 79-to-a-dollar range is bound to impact importers, widen the current account deficit (CAD) and increase India's external debt burden. But how much of a problem is this going to be for the Indian economy, given that the rest of the world is facing economic challenges as well? Zico Dasgupta and Indranil Pan discuss whether the declining rupee presents a crisis or an opportunity, in a conversation moderated by Bharat Kumar K. Edited excerpts:*

**The declining rupee has several consequences. In sum, is it a crisis or an opportunity?**

**Zico Dasgupta:** This is a matter of concern because the question of opportunity arises when one talks about the positive impact of the declining rupee on trade balance and net exports. That seems to be limited for two reasons. First, despite depreciation in the nominal exchange rate, the real exchange rate has not really depreciated in recent times and that is what matters for questions of trade balance and exports. Second, in the last two-three decades, the sensitivity of exports has been weak as far as changes in the real exchange rate is concerned. The depreciation is concerning – not exactly on the lines of the instability we have seen in Sri Lanka or other developing countries, but because it adds to the inflationary pressure and squeezes the purchasing power of those whose incomes are not linked to the crisis.

**Some predict CAD could rise to 4% of the GDP in the first half of this fiscal. Is this unhealthy or can we live with it?**

**Indranil Pan:** A broad indication that we are working with at this time is 3% CAD as a proportion of GDP with the assumption that oil is at about \$110 per barrel. If oil is at \$120, the CAD goes up to 3.3%. From the RBI (Reserve Bank of India)'s perspective, the moment CAD crosses 2.5%, red flags come up. More importantly, rather than only looking at the CAD, we need to find out whether we have adequate flows on the capital side to bridge the CAD. And if we do, then even if

the CAD is at 3%, it might not be very strenuous for the economy. Currently, because of the changing landscape in terms of the monetary policy cycle globally, emerging market inflows have dried up. There are more outflows from emerging markets. So, the RBI has to sell dollars in the spot market to contain the depreciation. Depreciation pressures are relatively more contained than in 2013. I don't mean it's time to sleep over it; definitely, you need to see in what ways the capital flow can be improved – RBI has come out with certain policies on that – or determine how the current account gap can be closed by reducing imports. There can be a natural adjustment: the higher inflation and tighter monetary policy domestically would dampen local demand. So, non-oil, non-gold imports are expected to be softer. Fears of a global recession could also lead to a downward bias in crude oil prices; that could be positive for the current account. But global slowdown may also pull down exports and that is worrying from the CAD perspective.

**ZD:** Right now, it's not a crisis as serious as Sri Lanka's, but it's a matter of concern. Whenever the rupee or any currency starts depreciating, there is always an expectation of further depreciation, which can lead to further capital outflows. In that context, the central bank needs to keep an eye on the situation.

**The RBI is said to be prepared to spend another \$100 billion, if needed, to defend the rupee. If that happens, are we still in a healthy position?**

**IP:** In terms of how much reserves you need, there is no thumb rule to indicate that this is enough. Earlier, flows were adequate, the CAD was low and the RBI actually managed to mop up a lot of forex and built up reserves to about \$635 billion. On the downside, again, there is no maximum extent to which you can reduce your forex reserves. But the RBI must watch the import cover of forex reserves; that has now fallen sharply as the import bill remains high and forex resources have depleted. The consequent impact on the rupee liquidity is another factor



the RBI needs to watch.

The critical issue for the rupee is not the level, it's the volatility. If the depreciation pressure is gradual, in line with the fact that global monetary policy is tightening and other emerging market currencies are also weakening, the RBI shouldn't mind allowing the rupee to also depreciate. We probably need to tell the corporates that they need a better hedging strategy when the currency is more or less stable or slightly appreciating. Currency depreciation is per se not bad, because it helps maintain the competitive advantage. Also, it helps keep a check on imports, because the moment currency depreciates, the prices of imported goods go up and that dampens the demand for importables. Of course, the demand for oil is relatively inelastic.

**ZD:** There is hardly any way to say that if you spend X amount of dollars, one is safe... think about the East Asian experience in the mid-1990s. Those countries were doing pretty well on the external sector or the economy. When the crisis hit and the capital started flowing out, it was not only a question of depletion of forex reserves; it was the expectation of depletion of the reserves combined with currency depreciation which led to the instability. So, as long as the capital doesn't stop flowing out, it will always be a matter of concern for us, no matter to what extent the forex reserve is depleted.

**With a declining rupee, the value of our external debt has risen. Is that a concern?**

**IP:** It's a tricky question. The point should be whether the ECB (external commercial borrowing) flows are hedged or not for currency depreciation. If they have been hedged, there is no problem. But if they have not, the amount to be

**The question of opportunity arises when one talks about the positive impact of the declining rupee on trade balance and net exports. That seems to be limited.**

ZICO DASGUPTA

paid in terms of the rupee will have surely gone up. Companies will have to adjust it into the balance sheets and hence, we can see some squeeze in the balance sheets of some companies. Some companies may still look at hedging their near-term payables. In the Indian context, the bigger worry is short-term debt with residual maturity of three-six months. Depreciation next year may be slower, because the global atmosphere could have changed by then. And who knows? If the recession hits larger parts of the world, there can be a faster reversal of the current tightening than what we anticipate now.

I'm not worried about the longer-term ECBs. Because if you take the average, the last 10 years have given a currency depreciation of only about 3.5-3.8%. The RBI has been trying to push ECBs by relaxing end-use and also increasing the interest rate cap for the ECBs. This will enable relatively lower rated companies to attempt to raise funds abroad.

**Given the recent moves by the government and the RBI, have we exhausted policy options?**

**ZD:** No. Of course, it is an exogenous shock, but it's not that there hardly exists any policy instrument to deal with that, at least for damage control. First, why is the falling rupee a problem? It could result in instability, which is not the case at this juncture, but there is also a question of inflationary pressure. If we look at the nominal exchange rate and the real exchange rate, the lat-

ter has remained stable in India in the last two years or so, despite the nominal exchange rate depreciating. This means domestic prices are rising faster than international prices. As there are domestic factors related to the question of prices, policy actions might come in there. For example, how to ease inflationary pressure in the agricultural [sector], how to compensate those whose incomes are getting squeezed due to higher prices because their incomes are not linked to the prices... The RBI needs to ensure a mix of exchange rate adjustment and depletion of forex reserves to maintain some stability in exchange rates.

**What could the government or the RBI do differently if they could do it all over again?**

**ZD:** Till now, the policy measure has been exclusively dependent on monetary policy. That has its own limitations. The interest rate is expected to stabilise the inflation rate primarily. But the trend in the Indian economy would suggest that the relationship between output and inflation rate, termed the Phillips Curve in literature, has been flat, in that the inflation rate changes for reasons other than demand factors. Those factors cannot be combated by interest rate charges. On the other hand, higher interest rates or higher repo rates have an adverse impact on output, which affects GDP growth. And that's the reason why the RBI has predicted a fall in GDP growth in the coming days. What is needed is greater dependence on the fiscal instrument. There are only two ways to do that. The first is to increase corporate tax in some form, to finance additional government expenditures, particularly in compensating labour's income. The second is to rethink fiscal policy rules - review to what extent rules we follow are relevant and useful in the current context.

Historically, corporate tax rate changes have hardly had an impact on corporate investment rates over time. For example, in 2018-19 when there was a huge corporate tax concession, there was hardly any impact on the corporate investment rates. The other option would be to do away with different corporate tax concessions. At this point, such concessions amount to around ₹5 lakh crore. So, even if one squeezes that amount of concessions, there would

be a lot of fiscal space available.

**IP:** I would have been happier seeing [recent] policies coming through in the monetary policy commentary rather than a knee-jerk announcement in the middle of a month, for it affects the sentiment of the market and raises doubts on whether the RBI is running out of resources to defend the currency, which is not the case. These policies forming a part of the monetary policy statement might have led to a more balanced view by the market. The critical areas the government needs to look at are how to prevent inflationary pressures from getting more widespread. Today's twin deficit problem in India, which was also there in 2013, is coming more from the fiscal side rather than the current account side. If you cumulate the fiscal deficit as a proportion of GDP and the CAD together, we are as wide today on the twin deficits as we were in 2013. Now, we are expecting CAD at around 3%; in 2013, it was around 4.5%. The critical action we need is more on how to manage government finances and have a course chalked out on how to bring the deficit and government debt down. The government's outstanding debt is large and increases in interest rates will raise the interest bill. Correcting for fiscal imbalances will also improve the overall macro atmosphere and offer a positive signal to the external world, providing comfort to investors.

**What did you mean by rethinking policy rules?**

**ZD:** Fiscal policy targets a specific level of debt to GDP ratio, i.e., it targets debt stability, and the job of the monetary policy is to target the output gap and thereby control inflation. Now, the intensity of the slowdown is such that the interest rate is unable to compensate for either the output growth rate or labour income, and now there is the added pressure of increasing interest rates. Fiscal policy needs to play a role in helping boost demand, but that is not exactly consistent with the present policy framework. By its very design, fiscal policy is meant to stabilise debt to GDP ratio, it is not meant to boost aggregate output growth rate or labour income. So, we need to think about the purpose of the fiscal policy rule given the crisis we're facing.



**Indranil Pan** is Chief Economist at Yes Bank



**Zico Dasgupta** teaches Economics at Azim Premji University



Scan the QR code to listen to the full interview online

# 'Inflation driving 8% of GST revenue rise'

SBI Research sees current account deficit widening to 3.7% of GDP, pegs trade deficit at 8.5% in 2022-23

SPECIAL CORRESPONDENT  
NEW DELHI

High inflation is driving about 8% of the current surge in Goods and Services Tax revenues, and inflation-adjusted GST collections so far this year are 26% higher than pre-COVID levels, SBI Research said in a report on Thursday, suggesting this rise could be driven by higher consumption.

SBI Research also raised its current account deficit target for this year to 3.7% of GDP, projecting the trade deficit to widen to 8.5% of GDP in 2022-23. The bank's researchers attributed the entire expansion in India's trade deficit in July over June, to the dip in exports caused by government measures to control inflation, such as the windfall tax on



**Feeding through:** Even after accounting for higher inflation, GST collections remain robust, says Ghosh. ■ NAGARA GOPAL

petroleum products.

GST collections have clocked over ₹1.4 lakh crore for five successive months, with July recording the second-highest revenues since the indirect tax regime's introduction at almost ₹1.49 lakh crore, 28% higher than

a year earlier.

"Various reasons, including better compliance, economic recovery and higher inflation are considered as some of the factors leading to higher GST revenue," Soumya Kanti Ghosh, SBI group chief economic advisor,

wrote in the report.

SBI sought to estimate inflation-adjusted revenue by deflating actual revenue with the Consumer Price Index used to measure retail inflation while excluding fuel.

"The gap between the two (actual GST revenue versus inflation-adjusted revenue) started increasing since May 2020 with a significant difference between the two since mid-2021. Currently, nearly 8% of the increase in GST revenues can be attributed to higher inflation," Mr. Ghosh noted. SBI's estimates peg inflation-adjusted GST revenue for the first four months of 2022-23 at an average of ₹1.2 lakh crore.

"This is a 26% jump in inflation adjusted GST from the pre-pandemic level at ₹95,000 crore. In simple ter-

minology, this shows that even after accounting for higher inflation, GST collections have remained robust and this increase could be the pure consumption impact," he concluded.

## 'Lower than the peak'

With the record goods trade deficit of \$31 billion in July, compared with the previous high of \$26.2 billion in June, taking the deficit past \$100 billion for the year already, the bank's researchers estimated the full-year deficit at 8.5% of GDP.

"Interestingly, this is much lower than the peak deficit of 10.7% of GDP achieved in 2012-13," Mr. Ghosh observed. "Thus, the current situation is much better than that in 2012-13," he added.

# BOE raises rate by most since 1995, warns of pain

‘U.K. set to enter recession in Q4, 2022’

SRIRAM LAKSHMAN

LONDON

In a bid to tame soaring inflation, the Monetary Policy Committee (MPC) of the Bank of England (BoE) on Thursday voted 8-1 to raise the U.K.’s bank rate by half a percentage point to 1.75%, marking the biggest interest rate increase since 1995.

The U.K. economy is projected to go into recession from the fourth quarter (Q4) of 2022, with GDP set to shrink in five consecutive quarters, the BoE warned. Inflation, as measured by CPI, is seen exceeding 13.4% in Q4, and remaining high through most of 2023, before falling to the 2% target level in 2024.

This is higher than the BoE’s May inflation forecast,

as inflationary pressures in the U.K. and Europe have risen since May.

“That largely reflects a near doubling in wholesale gas prices since May, owing to Russia’s restriction of gas supplies to Europe and the risk of further curbs,” the BoE said in a statement, adding that inflationary pressures are expected to dissipate eventually, with global commodity prices expected to rise no further.

“The uncertainty around the outlook is exceptionally high, especially for energy prices,” BoE Governor Andrew Bailey said.

The BoE, which has a 2% inflation target, reiterated that the “MPC’s remit is clear that the inflation target applies at all times”.

# Rupee skids 25 paise on weak export, PMI data

## Traders also flag U.S.-China tensions

**PRESS TRUST OF INDIA**

**MUMBAI**

The rupee depreciated by 25 paise to close at 79.40 against the U.S. dollar on Thursday, logging its second day of losses amid disappointing economic data and U.S.-China tensions.

Participants also stayed on the sidelines ahead of RBI's interest rate decision on Friday, traders said.

Gaurang Somaiya, forex and bullion analyst, Motilal Oswal Financial Services, said rupee volatility would remain high in the wake of rising tensions between China and U.S. following U.S. House Speaker Nancy Pelosi's visit to Taiwan.

"We expect the USD-INR (spot) to quote in the range of 79.20 and 79.80 in the



short-term," he added.

India's exports dipped, though marginally, for the first time in 17 months in July, while the trade deficit widened to a record \$31 billion, fuelled by an over 70% rise in crude oil imports.

The Indian currency has been under immense pressure after a record high trade deficit number and a lower reading in S&P Global's Services PMI for July.

# 130 'hate news' cases reported since LS polls

**SPECIAL CORRESPONDENT**  
NEW DELHI

A total of 130 cases of “hate news” were reported to social media platforms between the 2019 Lok Sabha election and the latest round of Assembly polls in five States held earlier this year, Law Minister Kiren Rijiju informed the Rajya Sabha on Thursday.

Mr. Rijiju made these remarks while responding to the BJP’s Kirodi Lal Meena. “Total number of ‘hate news’ cases reported to social media platforms is 130...,” he said.

During the 2019 Lok Sabha election, 58 such cases were reported. While the Maharashtra and Haryana Assembly election in 2019 saw only one such case being reported, in the 2020 Delhi Assembly polls, 34 cases were reported.

In the Assam, West Bengal, Tamil Nadu, Kerala and Puducherry Assembly polls last year, 29 cases of “hate news” were reported, he added.

Answering a question from Congress member Deepender Hooda on the number of pending cases in the country’s top court, the Minister said over 10,000 cases are pending for over a decade out of a total backlog of around 71,000 cases.

In a written response, he said 71,411 cases as on August 2 were pending before the top court, which included over 56,000 civil matters and over 15,000 criminal matters.

Of the total 71,411 pending cases in the top court, 10,491 were pending for more than 10 years. Over 42,000 cases were pending for less than five years and 18,134 between five and 10 years, the Minister added. The Law Minister said while 40,28,591 cases were pending in the various High Courts in 2016, their numbers went up to 59,55,907 as on July 29 this year -- a rise of 50%.

# Navy's women pilots chart a new course

## The first-of-its-kind maritime mission showcased 'Nari Shakti'

**SPECIAL CORRESPONDENT**

NEW DELHI

Five officers of the Indian Navy created history by completing the first all-woman independent maritime reconnaissance and surveillance mission in the Arabian Sea, onboard a Dornier-228 aircraft.

"The women officers received months of ground training and comprehensive mission briefings in the run-up to this historic sortie," the Navy said.

The aircraft was captained by the Mission Commander, Lt. Cdr. Aanchal Sharma, with pilots Lt. Shivangi and Lt. Apurva Gite, and Tactical and Sensor Officers Lt. Pooja Panda and Sub Lt. Pooja Shekhawat.

They are part of the Indian Naval Air Squadron INAS-314, based at Naval



**Sky is the limit:** The five Naval officers after completing the maritime reconnaissance and surveillance mission. ■PTI

Air Enclave, Porbandar, Gujarat.

Stating that the Navy has been a front-runner in driving transformation in the armed forces, the statement said its women empowerment initiatives include induction of women pilots, selection of women Air Operations Officers into the helicopter stream and conducting an all-women sail-

ing circumnavigation expedition across the globe in 2018.

This first-of-its-kind military flying mission was, however, unique and is expected to pave the way for women officers in the aviation cadre to assume greater responsibility and aspire for more challenging roles, the Navy stated.

"It was indeed a mission that showcased "Nari Shakti" in its real spirit," it added.

General Studies Paper I	
A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 <sup>th</sup> century such as industrial revolution, world wars, re-drawing of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies
General Studies Paper II	
A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
<b>General Studies Paper IV</b>	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.