Opinion

TUESDAY, NOVEMBER 19, 2019

TERROR TRAIL

Union defence minister Rajnath Singh

It is so much worse when terrorists are aided, abetted, armed, financed and sheltered by states... State-sponsored terrorism is not just a painful cancer, it is also the leading reason for unsustainable security

DeMo bump over, taxman needs a new plan, quickly

Compliance levels aren't rising, the demonetisation bump is over, and direct tax buoyancy has fallen dramatically

WITH DIRECT TAX collections rising by just 5.2% in the first six months of FY20, buoyancy has probably fallen to levels last seen in the pre-demonetisation days, and just around 40-45% of the 1.7 or 1.8 that was assumed when the budget was formulated just a few months ago; it is true that, by using the wrong base numbers, the budget over-estimated the FY20 collections, but a below-unity buoyancy is poor by any yardstick. Part of this, of course, was to be expected since, in years when GDP slows, tax buoyancies fall, but a 2.5% growth in corporate taxes and 8.9% in personal income is very poor when you consider that nominal GDP growth in the first half of the year will probably be around 7.5%. Corporate tax buoyancy was around 0.5 in the run-up to demonetisation, jumped to 1.7 in FY18 (the first full year after demonetisation), and is now back to earlier levels. In the case of personal income taxes, buoyancy levels more than doubled to 2.3 in FY17, and are now back to pre-demonetisation levels.

The latest disaggregated data on tax filings for FY18, and slightly less disaggregated data for FY19, suggest that not much has changed in the year. The number of individuals declaring an annual income of over one crore rupees in FY18 was 97,689 according to the latest data; while this is a 20% increase over the number in the previous year, the number is less than a seventh of the total number of *crorepatis* in the country that Price estimated based on its all-India income survey. Of course, and a word of caution here for finance minister Nirmala Sitharaman, who increased the cess paid by those earning over one crore rupees in the budget, these individuals accounted for a little over 16% of the tax paid by all individuals in FY18; this is also roughly their share of total taxes paid by individuals in the previous year. So, while the need of the day is to get more rich individuals to come out and declare their incomes, and then pay tax on this, the budget's higher surcharge could well see the growth in the number of tax-filers in this category slowing dramatically. As it is, the data for FY19 shows a slowdown in the number of individuals filing returns as compared to the previous year; in terms of the number of returns filed—this includes revised returns for previous years—this actually contracted.

As in past years, most of the tax collected—well over 90%—seems to be coming from tax deduction at source, advance tax, and self-assessment. Less than a tenth—8% in FY19—came from the additions made by the taxman after the returns are assessed. At one level, that is a good thing since it shows the system has become more self-policing, but given the level of tax-evasion, this suggests the income tax department is not able to really go after a large number of tax-evaders despite all the information it is getting through, for instance, its Operation Insight, which combines various databases like credit card payments, foreign visits, etc. If the finance minister chooses to cut income tax rates in the budget, this may help increase tax buoyancy, but if the taxman is not able to send notices to tax-evaders, there may not be much of an improvement in tax collections.

Security and unCERTainty

India needs a central coordinator for its cybersecurity ops

GIVEN HOW THE government appeared to be lacking a clear response on the cybersecurity breach at the Kudankulam Nuclear Power Plant, a central data security agency is an idea whose time has come. In 2017, when NITI Aayog's cybersecurity report was published, there were 36 bodies under different Union ministries, including the Computer Emergency Response Team India (CERT-IN). Each of these bodies has its own reporting structure and response protocol on managing cybersecurity. Now, each of the states has its own CERT, as had been recommended by NITI Aayog, and more cybersecurity cells have been added by central ministries. While the security infrastructure and reach seems to have become robust, a lack of coordination—the Kundankulam episode is proof of this—has left the system performing sub-par. The government, as per a report in *Hindustan Times*, is planning an umbrella organisation for all cybersecurity concerns, emulating the system in place in the UK, the US, and Singapore. To be sure, the government had already created the office of the National Cyber Security Coordinator. But, a central hub for coordination can perhaps ensure more effective action. For instance, in the case of an attack, the central command can immediately be alerted, and then other government agencies can ramp up defences to protect from a further breach. Had the Kudankulam attackers wanted, the breach could have easily crawled from the nuclear power plant to other utilities, shutting down the whole system.

While the Stuxnet attack by the US, affecting nuclear reactors in Iran, spelled out the necessity of cyber defence systems, most countries have since followed a need-based approach to cybersecurity. The Kundankulam attack exposes India's vulnerability. Although the National Cybersecurity Policy 2020—the last one was seven years ago—does address such issues, with more countries and terrorist groups developing cyber warfare tools, there is a need to be more proactive. Suggestions like the inclusion of cybersecurity course in schools and colleges do sound good, but none of them make sense if the government is not able to attract and retain top talent. More important, without cyber-awareness none of the government's initiatives can function correctly. In the absence of a national framework, cyber-awareness has been left to CERT, but the agency's record in pushing awareness has been dismal. In the case of the WhatsApp breach, CERT did inform about software upgrade; it is only when the issue came to light that people paid heed to their circular and advisory. CERT virtually has no presence on social media—and on the platforms it has an account, it activity has little to do with spreading awareness—on Facebook, it last updated its account in July, that too for the promoting a government programme. With the country looking at more connected infrastructure, courtesy the fourth industrial revolution and widespread use of the internet, cybersecurity needs can't be ignored, especially when more government services come to rely on the internet.

AbsentCONCERN

MPs and other public officials missing the Parl panel meeting on Delhi pollution violated the trust of citizens

EAST DELHI MP Gautam Gambhir got called out for commentating at a cricket match—he claims the contract was signed much before he got elected—when he should have been attending a meeting called by the Parliamentary Standing Committee on Urban Development. More so, since the meeting had been called to discuss the deadly pollution in the national capital region (NCR). But, Gambhir wasn't the only one who neglected his duty as a lawmaker; only four of the 29 MPs who are members of the committee attended the meeting, including Rajya Sabha member from Delhi Sanjay Singh. Crucially, three of the five commissioners of the Municipal Corporation of Delhi, and even the Union environment, forests and climate change joint secretary were absent—the ministry had sent a deputy secretary since the joint secretary was expected at a court hearing involving the ministry.

The meeting would have taken up important questions. For instance, whether the government is planning a coherent car pooling policy or regulation in the national capital, if there are reports on how the money allocated by the government for tackling air pollution—₹1,500 crore in the last year alone—has been spent, whether the government has fixed and defined responsibilities for officials in the fight against pollution given the Supreme Court had ruled that officials across all levels will be held responsible for worsening AQI, etc. Given, in the campaign phase, politicians like Gambhir make tall promises on delivering good governance, including better health and a cleaner environment, the very least they can do is to discuss issues that afflict citizens. Such dereliction of duty only sends the signal that votes, not citizens, matter. The absentee lawmakers and officials need to keep in mind that acute respiratory infections accounted for nearly 70% of the morbidity last year.

DIALLING REVIVAL

MINOR REDUCTION OF LEVIES AND/OR RELAXATION OF PAYMENT TERMS ARE ONLY MINOR PALLIATIVES, AND ARE NOT ADEQUATE TO RESTORE THE HEALTH OF THE SECTOR

Telecom needs another great migration

TV RAMACHANDRAN

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Views are personal

***ONCE MORE UNTO** the breach, dear friends, once more: Or close the wall up with our English dead...*
—William Shakespeare

So it is with Indian telecom, which has reeled into yet another major crisis, probably the fourth or fifth in its 25-year history. Once again, there is an urgent need to close the serious 'breach' in telecom. In the past, near-disasters were always averted, and the sector emerged stronger than ever before, rising to scale new peaks of achievement. This time around, the scale of the the crisis is much larger, and the jury is still out on whether the sector will be able to repeat its past performance.

The sector was already economically unviable due to fragmented market, steep spectrum price, and heavy levies since long before the recent Supreme Court judgment—in fact, even before the entry of the new standalone 4G operator; therefore, some minor reduction of levies and/or a relaxation of the payment terms will, almost surely, not remedy the situation for even a medium-term. What is needed is a bold, comprehensive, and sustainable solution that fully addresses the basic causes of the deep-rooted malaise plaguing the sector.

Easy payment terms at NPV will keep the full liability on the books, and is just a postponement of the evil. Moreover, a multi-sided remedy is required since any one-sided relief package would inevitably be challenged in court. Judging by precedents in the telecom sector itself, there is a strong likelihood of powerful PILs being filed. A package which provides benefits to all major stakeholders—customers, the government, and the industry—is necessary to ensure it would be a sustainable solution. Industry is also disunited in the matter of relief. Hence, any solution needs to have the buy-in of both camps; otherwise, it could fall soon.

There are significant takeaways from the successful navigation of past crises. The crisis in 1997-1998, when the sector was on the verge of complete collapse, was solved not only through a brand new telecom policy but also, more importantly, a brilliant multi-sided migration package to move existing operators to the New Telecom Policy, 1999 (NTP99). The architects of this were Brajesh Mishra, principal secretary, PMO, N K Singh, finance secretary, and Sudheendra Kulkarni, director, Communications & Research, PMO. At the time, PM Atal Bihari Vajpayee was directly in charge of the communications ministry. This was an epoch-making settlement where operators gave up their contractual duopoly rights as well as all their licence-related litigations in court in exchange for migration to NTP99. The results of this "great migration" are for the entire world to see. Mobile tariffs crashed to less than ₹4 per minute from the extremely high rates earlier, and explosive growth of the sector—the envy of many nations—followed.

Even to resolve the next major sectoral crisis, following the disruptive entry, in 2001, of wireless in local loop - limited mobility, the solution, in early 2003, was through a multi-sided settlement, negotiated out-of-court, that sustained. It is important to note that, in both migrations, all stakeholders were willing participants. For a successful resolution of the current crisis, we once again need to have a holistic, multi-sided settlement, and not any quick-fix palliatives. Some thoughts on the features of such a package are shared below.

Scrapping of the current system of licence fee (LF) as a percentage of AGR is a key requirement. A high LF% is a major anachronism. It was appropriate when licence was packaged with spectrum. But, this principle should have been scrapped in 2012 itself, when licence and spectrum were separated, and the latter only allocated through e-auctions. It is universally accepted that, without spectrum, licence is a mere piece of paper, not worth anything practically. With spectrum bought in an open and transparent manner, licence fee could be an annual fixed fee that just covers the cost of administration and regulation. This cost is a small figure—currently equal to about 0.1% of the present AGR.

The abovementioned cost also includes the cost to the wireless planning and coordination department, and that of regulating spectrum. Hence, the current levy of spectrum usage charges as a percentage of AGR also needs to be scrapped.

> **With spectrum bought in an open, transparent manner, licence fee could be a fixed annual fee, covering just the cost of administration and regulation**

Although e-auctions have been in vogue since 2010, their results haven't satisfactory for multiple reasons—i) high unsold spectrum (over 40% of the offered spectrum has remained unsold); ii) sold spectrum going only at clearing prices, or very close to reserve prices (RP), i.e., the real market value remains undiscovered. This is due to incorrect auction rules, extremely high RPs, most valuations of spectrum being done on a pro-rata or ad hoc basis instead of from basics by the stipulated methods, errors in calculations, etc. As a result, the auction clearing prices of spectrum have been extraordinarily high, and out of line with international values. Spectrum being the life-blood of telecommunications, these shortcomings need to be addressed to ensure the sector's health. This is probably the most important requirement.

It may be noted that even Dr Rajat Kathuria, chief executive, ICRIER, has opined publicly that spectrum auctions need to be reviewed and corrected.

The government is apparently already considering a 20-year payment with NPV protected. This is a welcome step, and we do hope it gets finalised. However, we wish to reiterate that while this would be an essential condition of the migration package, it would not be adequate to cure the sector's basic problems. These are minor palliatives that will not cure the intrinsic cancer.

Customers and the public must, above all others, secure a big win since it is they who would ultimately bear the stiff cost of a full-blooded resolution through taxes, etc.

Today, the customer is already enjoying one of the world's lowest retail tariffs for both voice and data. However, if one estimates the total cost of service here, factoring in the level of quality of service and experience, we are probably paying more. Our 4G speeds are, for example, only about one-fourth, or one-fifth of the global level. Our customer grievance handling processes and practices leave much to be desired. The relief package should include some commitments for measurable improvements in this regard. The customer should also get commitments regarding continuation of affordable user tariffs.

Last, but not the least, there could be other specific benefits for the economy and the government. The latter could seek specific commitments regarding on-the-ground contributions to national initiatives like Digital India, Smart Cities, and Rural Broadband. Specific contributions to and commitments regarding key customer-beneficial targets of the government could also be considered.

Telecom is the backbone for many other industries. A robust and competitive telecom sector is essential for the national economy, and big players cannot be allowed to fail. Lasting win-win solutions are possible and, if adopted soon, the sector can surely prosper and rise to higher orbits of excellence.

Essar ruling eases private equity fears

The judgment sets right the balance between secured and unsecured lenders, and will rekindle hope in the integrity of India's bankruptcy process

ANDY MUKHERJEE

Bloomberg

TWO-AND-A-HALF years after the Indian central bank took the highly unusual step of directing banks to put 12 large corporate debtors into bankruptcy, the most closely watched of the "distressed dozen" cases has finally been resolved.

With the Supreme Court in New Delhi clearing the decks for the sale of Essar Steel India Ltd., the Ruia family has accepted defeat. Control of the 10 million-tonnes-a-year integrated plant in western India will pass to ArcelorMittal, which will pay banks ₹420 billion ($5.9 billion), or 90% of their claims.

This final episode of a drawn-out legal saga, in which the Ruias made multiple attempts to hold on to their prized asset, was a nail-biter. At the last moment, the bankruptcy tribunal's appellate authority had inexplicably jumped into the fray, and ordered that more of ArcelorMittal's money be given out to unsecured operational creditors and less to secured financial lenders.

India's $200-billion-plus bad debt mess is starting to attract serious global capital from pension and sovereign funds. Had expected recovery rates of 90% shrivelled to 60%, private equity funds assembling this stock of patient money to take over secured lenders' exposure would have fled. Thankfully, the court restored the power of the creditors' committee to decide who gets what.

It has been a costly delay. When the Reserve Bank of India referred large cases to new bankruptcy tribunals, it was hoping to solve 25% of the country's bad-loan problem in 270 days. There was interest among potential buyers, particularly for steel plants, because global metals demand was stabilising. But, with missed deadlines, lengthy litigation, and suspected fraud holding back asset sales, liquidation has emerged as the default option, with only 15% of closed insolvency cases ending in a resolution plan.

A lot has changed in India's corporate distress landscape between 2016, when India promulgated its bankruptcy law, and now. For one thing, global demand for steel—and steel assets—is starting to sag. That isn't all. With practically all sectors of India's economy facing a demand funk, there is trouble everywhere, from real estate and roads to power and telecom.

> **A lot has changed in India's corporate distress landscape between 2016, when India promulgated its bankruptcy law, and now. For one thing, global demand for steel—and steel assets—is starting to sag**

Each industry comes with its own unique challenges. In residential real estate, it is the homeowners' interest that makes creditor coordination difficult. In telecom, the difficulty comes from exorbitant government demands for spectrum fees. The danger of a voluntary bankruptcy filing by Vodafone Idea Ltd. has everyone from investors to the government worried. The mobile operator posted a $7.1 billion quarterly loss, the worst in India's corporate history.

A new complexity is that creditor institutions themselves—from shadow lenders to small deposit-taking banks—are becoming insolvent, prompting India to extend the bankruptcy law to nonbank lenders as well. This quick fix would further weigh on a system creaking under its case load. A steel plant can preserve value through a lengthy in-court bankruptcy by utilising its fixed capacity. A lender has to continuously make new loans to stay in business. Without the trust of the financial markets, its enterprise value very rapidly falls to zero. Early liquidation is the best possible outcome for an insolvent lender's creditors seeking to extract value, but it is also the scenario that poses the biggest risk to stability of the existing financial system.

The current law can't solve this dichotomy. Rather than overburdening it, India must keep the bankruptcy tribunal focused on what it can actually handle. A recent example of overreach is the start of an insolvency petition against Aviva Plc's local life insurance joint venture for not paying its landlord. Such things used to happen in Indonesia, where a Jakarta commercial court declared Canadian insurance firm Manulife Financial Corp.'s Indonesian unit bankrupt in 2002, and followed it up two years later by holding Prudential Plc's local business insolvent. A higher court had to reverse those rulings.

By setting right the balance between secured and unsecured lenders, the Essar judgment has scored a win, above all, for common sense. The verdict will rekindle hope in the integrity of India's bankruptcy process, but it will take a lot more work to allay concerns about its effectiveness.

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LETTERS TO THE EDITOR

JNU students' protest

It is unfortunate that students of JNU were prevented from going on a march peacefully; from campus to the Parliament house to present their grievances. The government should have tried to handle the situation without arresting students and beating them up. In true democratic spirit student representatives could have been allowed to meet the PM or the HRD Minister to persuade him the rightness of their demand to roll back the steep fee hike. Now the HRD ministry and the university administration cannot be totally insensitive to their demands and succeed in imposing 'financial burdens' on students. Even ABVP, is up in arms with its demand over the fee hike. Two facts must be appreciated before trying to find fault with the students. If there is no roll-back of the fee as many as 40% of the students in JNU will have to drop out. The HRD ministry and the university administration must pause to think if it is right to deny the bright students from poor families their right to pursue higher education in a university like JNU set up to provide quality education to all. A democratic government is obliged to provide free or subsidised education to students from low income groups. A government so generous to corporates should show a semblance of generosity towards students too. Remember, most of the poor students belong to lower castes. Ideologically, JNU is not on BJP's wavelength; but it is not good enough reason to deny its students free or subsidised education. Unfortunately one prominent BJP leader has called for the shutdown of JNU, betraying his visceral hostility for ideological diversity. The government must seize the opportunity to show that it is indeed pro-poor by a complete roll-back of the fee hike.

— G David Milton, Maruthancode

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RCEP

Redefining India's trade in services agenda

As India negotiates FTAs with the US, the EU, and explores its options for RCEP, a sound trade in services agenda that addresses both internal domestic regulatory reform and refines its market access expectation, is essential to achieve realistic outcomes

DESPITE THE POLITICAL posturing, the Joint Leaders' Statement on RCEP issued on November 4, leaves the question open on whether or not India will become a party to the RCEP agreement. That the 15 RCEP participating countries (RPCs) did not conclude the deal without India, signals the strategic importance of India being part of the agreement, and leaves open the opportunity for India to leverage that position.

There were several reasons why India has been disillusioned with the terms of the RCEP agreement, one of which is that the RCEP participating countries (RPCs) are not committing adequately to trade in services, especially in areas of India's interests involving the movement of professionals.

Services exports are a growing component of India's GDP. The WTO ranked India as amongst the top ten countries for services trade in 2017. Focusing on this area, therefore, is a good strategy in trade negotiations. Yet, India's trade in services agenda has been unduly focused on "Mode 4", which involves the presence of Indian professionals in another country (such as an Indian IT professional in the US, or an Indian doctor in Australia), engaged in the supply of services. This is the mode of supply which has been riddled with the maximum resistance in many countries, linked as it is with the concern that a foreign service supplier threatens the job of a national.

That Mode 4 is not about "immigration" into another country, but only refers to "temporary" presence restricted to the supply of a service, has had little value in allaying such concerns. The innumerable sensitivities associated with access of foreign professionals to shrinking employment markets, and the failure of the WTO or any FTA to distinguish between "immigration" and the temporary nature Mode 4 market access, is perhaps why Mode 4 has not realised its potential. A 2009 background paper by the WTO Secretariat, notes that not only is Mode 4 characterised by 'shallow commitments' from WTO members, but also by the widest range of regulatory barriers, such as complex visa and work-permit related requirements and procedures, numerical quotas and economic needs testing (ENTs), high rejection rates for visas coupled with opaque and arbitrary procedures for visas and work permits. The paper cites a study which estimates that the worldwide costs of processing visa/work permit applications represent around 0.3% of the world GDP!

An example of a Mode 4 barrier is what is popularly referred to as the "50:50" rule under the US Immigration and Nationality Act, which imposes visa processing fees that is almost eight times higher in the event the organisation in the US seeking a foreign professional on a H1B or L1 visa, has 50 or more employees, and 50% of such employees are foreign nationals on a similar visa! This is coupled with very high rejection rates for such visas; the National Foundation for American Policy (NFAP) has noted that between FY15 and FY18, the denial rate for new H-1B petitions quadrupled from 6% to 24%.

In the UK, higher salary thresholds are prescribed for foreign professionals. Brexit itself is rooted in the scepticism and resistance towards the 'foreign' worker, and closing of borders to the free movement of EU professionals. Singapore insists that the "core" of any Singapore business should comprise of "Singaporean" nationals, before 'Employment Passes" can be issued to foreigners. In Australia, entry is limited to a list of "gazetted occupations", which is subject to a six-monthly review; means that Australia is unlikely to be able to make a firm Mode 4 commitment in an FTA for any specific profession.

Most new-age FTAs, including the CP-TPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), have remained futile in addressing Mode 4 issues, and relegate it as a "pariah"—in a separate chapter that does not address market access related commitments.

The recent Report of a High-Level Advisory Group (HLAG Report) on India's trade agenda, acknowledges that "we need to recognise the futility of an over-bearing focus on the issue of Movement of Natural Persons and shift focus to other modes as well." Added to this is the fact that Mode 4 access is not simply a one-way traffic into developed country markets. With rising unemployment, India itself can ill-afford to open its markets to Mode 4 access to other countries.

Whether or not India decides to join the RCEP, India needs a careful strategy to calibrate its expectation on trade in services, and what it is prepared to offer to other countries. While India should seek strategic market access for skilled professionals such as IT, accountancy, architects, medical and nursing professions in countries of interest, it is crucial to move beyond this limited agenda.

A key area for consideration in this regard is how can we leverage "Mode 1"- or "cross-border services" which occurs without movement of a service supplier or consumer, by delivery of services through means of information technology. IT-enabled services has been an area of comparative advantage for India. Clarity in law and policy to leverage India's Mode 1 strength is an immediate imperative. Central to Mode 1 trade, is the need for cross-border movement of data, which is an area where law and policy is evolving, with the accordion stretching between the need to assert 'data sovereignty' and localise all data generated in India within India, to a more nuanced and differentiated set of rules for "personal" data and "non-personal" data. Getting clarity on this, and investing in R&D to leverage India's traditional strength in "Mode 1" is of crucial importance.

Services using 3D technology represents a higher evolution of 'Mode 1' services. The WTO's World Trade Report for 2018 estimates that 3D printing may wipe out as much as 40% of world trade by 2040! This may, therefore, require a fundamental rethinking of the traditional rules of trade governing not only trade in services, but trade in goods as well. Getting India 3D ready, therefore, is an immediate imperative.

The HLAG Report identifies "Mode 2" services as another area of significant potential. Mode 2 or "consumption abroad" represents trade where a foreign service consumer travels to another country to avail of services, such as tourism or medical services. The key driver for this mode is not any specific market access commitment from a trading partner, but India's own sound and sensible policies to attract and retain the "Mode 2 consumer", be it a foreign tourist, or a foreign patient seeking medical services.

As India prepares the ground for negotiating FTAs with the US, the EU, and explores its options for RCEP, a sound trade in services agenda that addresses both internal domestic regulatory reform and refines its market access expectation in other countries, is essential to achieve realistic outcomes.

BIT BY BIT

The PC sweet spot

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Could laptops have hit an inflection point that could suddenly make them more relevant to younger buyers?

A LOT OF PEOPLE in my young team are constantly complaining about their laptops being slow and underpowered. These are punctuated by shouts of frustration from across the newsroom as one desktop or the other refuses to indulge the person using it. Even as we have more computing now on a smartphone than most of the first satellites, companies have struggled to make the basic computing experience pain-free. Of course, PCs can be very capable, provided you are paying for it.

But last week, I saw something that has made me thinking that this could finally be changing. I finally got the feeling that laptop design, processing power and pricing might be hitting a sweet spot where friction-free computing could actually become the standard and no more a premium experience.

Asus, showcased a bunch of new laptops and gaming computers powered by AMD's Ryzen processors. What caught my attention was the fact that even the entry-level devices from the company were thin and not the spine-breakers we are used to seeing in the sub-₹30,000 segment.

There is more to this trend. It is becoming increasingly hard to convince millennials to use heavy laptops that slow up as you try and do more with it. Unless they are pushed by their places of work, these devices are not preferred by the younger users who have been spoilt by fast smartphones, where everything pretty much happens with a single tap. Jaipal Singh of IDC India explains that as consumers shift entertainment and content consumption to smartphones, PCs are becoming a "conscious purchase in India". So, he says, "consumers are comfortable to wait for discounts and offers while looking to buy or upgrade their PCs."

> The availability of slim laptops that are powerful and affordable along with the rise in popularity of gaming devices might help push growth in the PC segment

This also means the customers need more choice so that they get to pick exactly what they want. AMD India's managing director of sales, Vinay Sinha, says the way the Indian market is evolving, the young millennials, who are very pronounced in their technology preferences, love this choice. This, he says, is where AMD "has a clear process technology leadership over competition" by "taking a leadership position with Asus in gaming and the thin category which is the fastest growing segment."

The gaming context here is interesting. Asus is confident that a lot of mobile gamers are within months thinking of purchasing a gaming laptop. And, given that gaming laptops no longer cost half a year's salary for them and don't weigh like a tonne of bricks, some of these users are preferring to buy these devices for work also.

This need to take PUGB from the mobile to a larger screen might be the reason why gaming devices are recording unprecedented growth in India. Arnold Su, Business Head, PC, Gaming & Commercial Products, ASUS India says the numbers of gaming laptop shipments have gone up 250,000 from just 40,000 two year ago. "Worldwide, these numbers grow maybe 5% year over year, but in India it doubles every year," he explains. And, this jump is one of the reasons why Asus has grown over 43% compared to last years and clocked its best numbers ever in India.

The availability of slim laptops that are powerful and affordable along with the rise in popularity of gaming devices might help push growth in the PC segment even more. After a long period of flat growth, the PC market in India finally saw some revival in Q3 2019, up 15.8% compared to the year before. Three millions units were shipped, thanks in part to at least one big institutional purchase. But companies are also preparing for the end of support for Windows 7 by upgrading to newer devices. And this is where the millennial crowd might end up dictating the kind of devices that get purchased. So could we see thin devices add to the weight of the laptop segment?

UPwards is the only way

Govt's online single window system is geared towards Ease Of Doing Business

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& AVINASH KUMAR

Goyal is Principal Secretary to CM Uttar Pradesh and Kumar is Special Secretary to CM Uttar Pradesh. Views are personal

ASPIRING FOR GROWTH is imperative for any nation, not only for its survival, but also to fulfill the creative and aspirational instincts of its population. Uttar Pradesh, if it were a country would (in terms of population) be the fifth largest country in the world.

India has been showing a constant upward trend in World Bank's "Doing Business" rankings and now stands at 77th position out of 190 countries; this upward trend was made possible because of standardised, competitive and phased implementation of the "Business Reform Action Plan" guidelines issued yearly by the Department of Industrial Promotion and Policy (DIPP), since 2015. Uttar Pradesh, which was at 14th spot in 2016, has moved two ranks up, to the 12th place in Ease of Doing Business rankings 2017-18 released by the DIPP. This upward trend can only be sustained by reducing "time to market" for any business activity and that can be ensured by a seamless, scalable, process re-engineered and technologically advanced online single window government clearance/licensing system, that is free from red-tapism and other bureaucratic inconsistencies.

To overcome these challenges, UP, among other things, needs a low-cost system for service delivery, which can provide the desired output by scaling up the capability of the existing manpower without actually increasing their numbers.

To make such a system work, one will have to understand the deep inconsistencies and inefficiencies that exist in the current licensing mechanism of any government department. Just to highlight the problem, an entrepreneur has to take clearances from minimum seven to eight departments, i.e., revenue, stamps and registration, labour, fire, local bodies, environment, electricity, public works, housing or urban development before the unit could actually start. The time for application and follow-up with each department requires running from pillar to post, and sometimes obliging such authorities with corrupt practices. This vicious cycle leads to a loss in employment generation.

The challenges of implementing such a system in a state like UP were immense. In order to counter the challenges, a working group headed by the principal secretary to the chief minister having members from all concerned line department was constituted (December, 2017) at the CM Office. The expert team analysed the BRAP guidelines and came up with an innovative principal methodology of "why you are doing, what you are doing" for validating the existing processes of departments and came out with the standardised service process guidelines. All identified services of departments were then taken online.

'Nivesh Mitra', the online single window system has been designed after performing a thorough stakeholder feedback to create a complete packaged solution for the industries and more importantly, the MSMEs. It supports all the 26 features as listed in the BRAP guidelines.

- Application submission, online payment, tracking & monitoring of submitted applications, approvals, and approval certificates/NOCs are made completely online, without human interference.
- Consolidated payment for all submitted applications.
- Information wizard to suggest required pre-establishment & pre-operation applications.
- All information available at one place through the investor kit.
- List of NOCs/ licenses/ permits.
- Effective monitoring of application pendency at all levels via a unified dashboard.
- Faster redressal via ticket-based industrial grievances mechanism
- Dedicated platform for industrial associations for providing feedback on industrial issues
- Facility for submitting suggestions / feedback on draft policies, other business regulations etc.
- Facility for third parties like banks/ other private & government institutions to verify NOCs/licenses online.

'Nivesh Mitra' currently encapsulates 118 services of 20 departments including the most important services like the pollution control board, electrical Safety, fire safety, land allotment, land-use change, labour department clearances.

'Nivesh Mitra' was first backed with a detailed government order that legalised the standard process, timelines and fixed accountabilities of the departments. Second, a detailed training program was launched in order to train the field staff of all departments and for resolving any of their queries related to the new process. Third, industrial organisations and their members were given demonstrations and trainings at the district level Udyog Bandhu meetings. Fourth, a helpline number was launched, which was manned by a trained dedicated team for providing support to the industrial grievances and to provide assistance in case any investor is facing any difficulty. Fifth, all grievances are monitored on a daily basis and quick response along with resolution to the problem is provided to all applicants.

Since its launch by the PM, Nivesh Mitra has granted over 50,000 NOC's/licenses within approved timelines to about 49,000 registered entrepreneurs who had applied; only 0.02% applications are pending beyond the allowed time limit. In its EoDB rankings 2017-18, Uttar Pradesh's 'Nivesh Mitra' was rated among the top 5 online single window systems by the DIPP. One major reform in pipeline is to create a single window agency backed by an Act, which will have the power to grant a single certificate instead of multiple departmental NOC, required for starting any business. Also, a sectoral analysis is currently under process to identify services, which are yet to be made online for example: getting industrial land exemptions from the Ceiling Act and many more.