

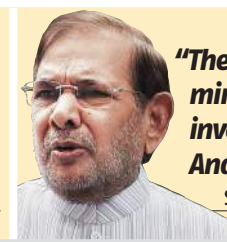
"You want 10 per cent growth rate, then investment rate to the GDP should be 37 per cent and 3.7 per cent should be your efficiency factor and not five per cent as it is today"

SUBRAMANIAN SWAMY
BJP leader



"Political parties that have been insulting the Constitution are today trying to preach us the Constitution. Better they keep off or they will be badly exposed"

YOGI ADITYANATH
Uttar Pradesh chief minister



"There is no possibility of my becoming the chief ministerial candidate. I, for my part, have been involved in national politics all through my life. And I am not going to change course at this stage"

SHARAD YADAV
Loktantrik Janata Dal leader



KEJRIWAL CALLS ON SHAH
Delhi Chief Minister Arvind Kejriwal (left) met Union Home Minister Amit Shah for the first time after taking oath as CM. Talking to Twitter, Kejriwal said both agreed to work together for the development of the national capital

IN BRIEF
Govt to set up authority for Consumer Protection Act

The government will frame rules and set up an authority to implement the new Consumer Protection Act by April this year, Food and Consumer Affairs Minister Ram Vilas Paswan said on Wednesday. He stressed on the regulation of the e-commerce sector with a rise in online transactions. Parliament last year approved 'The Consumer Protection Bill 2019', replacing the Consumer Protection Act, 1986. The law seeks to revamp the process of administration and settlement of consumer disputes, with strict penalties, including jail term for adulteration and misleading ads by firms. Paswan held discussions with industry representatives on provisions of the proposed Central Consumer Protection Authority as well as rules and regulations being formed under the Consumer Protection Act. PTI

Prez's secy Kothari next CVC, former IAS officer Julka to be CIC

Sanjay Kothari, the secretary to the President, has been selected as the new chief vigilance commissioner by a committee headed by Prime Minister Narendra Modi, officials said on Wednesday. The committee has also chosen, by a majority decision, former Information and Broadcasting Secretary Bimal Julka, currently serving as an information commissioner, as the new chief information commissioner in the Central Information Commission. PTI

SBI Cards to raise tier-II capital of ₹250 crore

SBI Cards and Payment Services (SBI Cards), which is floating an initial public offering for equity shares, will raise debt capital of ₹250 crore via sub-ordinated bonds. These bonds form part of tier-II capital structure. The move to raise money via tier-II instrument is aimed at strengthening capital adequacy for the State Bank of India subsidiary. PTI

Cabinet makes crop cover optional for loanee farmers

To spend ₹6,865 crore on promoting 10,000 new FPOs over five years

SANJEEB MUKHERJEE
New Delhi, 19 February

Over three years after Prime Minister Narendra Modi launched the Pradhan Mantri Fasal Bima Yojana (PMFBY), the Union Cabinet on Wednesday made it optional for loanee farmers and also incorporated a host of changes in an attempt to make it farmer-friendly.

The scheme would be voluntary for loanee farmers from the kharif season of 2020. Since the scheme's inception, the central government has spent about ₹50,000 crore as its share of premium subsidy. Agriculture Minister Narendra Singh Tomar said according to government estimates, 58 per cent of total farmers are loanees.

The share of non-loanee farmers, for whom the scheme is voluntary, has been steadily rising, which shows that there a vast section of growers are in favour of the scheme.

Data shows that in kharif 2016, around 10.2 million non-loanee farmers enrolled in the scheme, which rose to 12.4 million by kharif 2018, a jump of about 22 per cent. In rabi 2016-17, the share of non-loanee farmers was 3.4 million, which rose to 7.9 million by rabi 2018-19, an increase of 132 per cent. Total enrolment under the scheme, though, has been falling. It was 40.4 million in kharif 2016, dropping to 34.8 million by kharif 2018, a fall of about 14 per cent.

The government blamed loan waiver schemes announced by state governments along with mandatory Aadhar linkage for the dwindling interest in PMFBY. Critics, however, said delayed compensation payment and improper functioning of the scheme were some reasons for farmers preferring to opt out.

Some critics feel that making the scheme voluntary could lead to higher actuarial premium under PMFBY, resulting in higher subsidy outgo for the government. However, others said it could improve efficiency as nowhere across the world could farmers avail of crop insurance at such low rates.

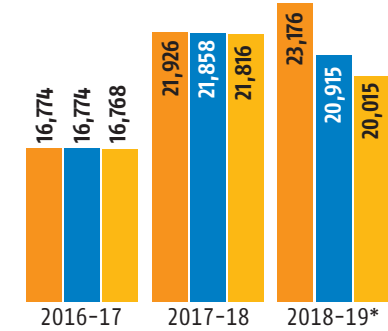
Under PMFBY, farmers pay 2 per cent of the sum insured for their share of premium for kharif crops, 1.5 per cent for rabi



MONEY MATTERS

On Pradhan Mantri Fasal Bima Yojana...

■ Claims reported ■ Claims approved ■ Claims paid (₹ crore)



*Claims of some crops/areas for rabi 2018-19 are not finalised
Source: Parliament questions

OTHER CABINET DECISIONS

- The Union Cabinet on Wednesday approved the assisted reproductive technology (regulation) Bill that proposes establishment of a national registry and registration authority for all clinics and medical professionals serving in the field
- Law Commission: Cabinet approved the constitution of the 22nd Law Commission, which advises the government on complex legal issues
- Second phase of Swachh Bharat Mission (Rural) to focus on management of solid and liquid waste to be implemented with an estimated budget of ₹52,497 crore from next year
- Interest subvention on loans given to the dairy sector raised from 2 per cent to 2.5 per cent to benefit 9.5 million farmers
- Empowered Technology Group constituted to render timely policy advice on latest technologies; mapping of technology and technology products

crops, and 5 per cent for horticulture and commercial crops. If the actuarial premium is lower than, the lower of the two rates would apply. The difference between the actuarial premium rate and the premium paid by farmers is the subsidy shared equally by the Centre and states.

The proposal to make PMFBY voluntary for all was, in fact, part of the Bharatiya Janata Party's 2019 election manifesto.

The Union Cabinet also made other changes to the scheme, including introducing cut-off dates for states to release their share of premium subsidy. If states don't release their share before March 31 for the kharif season and September 30 for rabi, they won't be allowed to implement the scheme.

That apart, the Cabinet also decided that states will have to keep insurance companies enrolled in PMFBY for a minimum of three years as against the current provision of one year to three years.

In 2019-20, more than three listed private insurance companies opted out of PMFBY, questioning the viability of the scheme. "This is good decision in favour of the farmers by the government and we express our gratitude," Bhartiya Kisan Union said.

The Cabinet also decided to launch a new scheme for promoting and creating 10,000 new farmer producer organisations (FPOs) in the next five years, starting from 2019-20. A total budgetary provision of ₹6,865 crore was allocated for this.

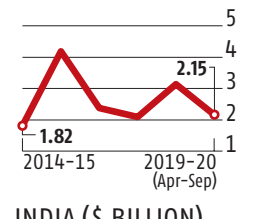


WITH OR WITHOUT US TRADE DEAL, REGULATORY ISSUES REMAIN

No matter whether India manages to sign a deal with US President Donald Trump or not, both countries look headed for a showdown on various pending issues in the regulatory space. The absence of a bilateral investment protection treaty, American concerns with India's data localisation norms and India's attempts to rein in the e-commerce sector are set to become major battle arenas between the two nations once the wrangling over tariff duties ends.

The lack of an investment pact between the two has been raised by US investors for leaving their investments in India without requisite legal protection. India decided to terminate its existing investment pacts with other countries in 2016 with the government maintaining that all future pacts will be negotiated under the framework of the model Bilateral Investment Treaty issued by the government in 2015. This was meant to form the basis for individual deal agreements to be negotiated with other nations. However, four years after unilaterally terminating investment pacts in 2016, only four BITs — with Bangladesh, Belarus, Colombia, and Taiwan — have materialised. Since the negotiations are not time-bound, there's no deadline to conclude ongoing talks with 11 other nations, an official said.

FDI FROM THE US SEES SLOW RISE
US foreign direct investment outflows CHINA (\$ BILLION)



INDIA (\$ BILLION)



Source: Department for Promotion of Industry and Internal Trade and US-China Investment Hub

E-COMMERCE

- India's e-commerce market 2018-19: \$54 billion (Nasscom)
- E-commerce market size projected in 2020: \$120 billion (IBEF)
- Amazon investment: \$5 bn in last 5 yrs, \$1 bn committed
- Walmart: Bought Flipkart for \$19 bn in 2018

DATA ON THE RISE

- India's data usage per smartphone 9.8 GB/month (Ericsson report)
- Most data now stored digitally
- India has over 550 million Internet users
- Internet users expected to reach 800 million by 2023 (McKinsey)

Obama or Nixon: Which template would Trump's India visit follow?

With a decelerating economy that weakens India's hands on geopolitical issues, it will be interesting to know which way this visit will go

TRIVIVEK

While it wasn't an official visit, the first occupant of the White House to land on the shores of India was Ulysses S Grant, and likely not the last with, let's say a dodgy sense of aesthetics. The 18th President of the United States, Grant served two consecutive terms in office between 1869 and 1877 and was also the Commanding General of the US Army when the Civil War was won. Soon after his term ended, Grant and his wife Julia set forth on a two-and-a-half-year world tour that aimed to project the US as an outward looking power ready to engage with the world. Grant arrived in Mumbai in February 1879 aboard USS Richmond and undertook the customary trip, on elephant back, to the Taj Mahal in Agra, whereupon the Grants thought it beautiful but not more than the Capitol Hill building. Grant met the then Viceroy Robert Lytton in Kolkata and professed admiration for his father Edward Bulwer-Lytton's novels. In 1982, the San Jose State University instituted the annual, tongue-in-cheek Bulwer-Lytton Fiction Contest to award the worst possible opening lines of a novel as a tribute to Bulwer-Lytton's "It was a dark stormy night" in his 1830 work Paul Clifford.

It remains to be seen what reluctant traveller Donald J Trump, the 45th President of the US, on his two-day visit between February 24-26 makes of the spartan Sabarmati Ashram, the Taj Mahal, or the 'Namaste, Trump' rally in Ahmedabad where PM Narendra Modi assures there would be "millions and millions" in attendance.

Beyond the bearhugs and protestations of great personal bond between the two leaders, this visit carries a more transactional flavour than other recent presidential trips to India. Unlike in the past, a trade deal between the two occupies centre stage, given the context of Trump's domestic policy priorities.

Trump, the self-professed master of deal making has in recent months dubbed India "tariff king" in a tweet pointing towards India's propensity to heavily tax US exports such as the high-end Harley Davidson motorcycles. India, wary of trade deals, has more reason to worry considering the deteriorating health of exports sector after sector, from gems and jewellery to textiles. India's inability to take meaningful advantage in return for greater American access to its domestic markets perhaps explains its lack of enthusiasm on this front. But they, we're at least talking business. It wasn't like this always.

The first-ever visit of a serving US President was 12 years in the making after India's independence. Dwight D Eisenhower, a decorated war hero, was

welcomed in India as a "Prince of Peace". The week-long visit was a big success, with Eisenhower travelling in an open car with thousands lining the streets. Despite India fronting the distinctly anti-West Non-Aligned Movement, PM Jawaharlal Nehru, the romantic statesman, and Eisenhower, the soldier, seemed to have hit it off. Just as Modi might personally show Trump around the Sabarmati Ashram, Nehru in 1959 offered the Eisenhower a guided tour of the Taj. Eisenhower was lavish in his praise for India from the get-go. "In fulfilling a desire of many years, I pay in person America's tribute to Indian people, to their culture, to their progress and to their strength among independent nations," he declared on arrival, adding that it was a personal pilgrimage of sorts. Not only that, in his address to a joint session of Parliament, Eisenhower spoke about support to India in the face of any external acts of aggression.

It could be that the two had cultivated more than an acquaintance when Nehru was conferred an honorary doctorate by Columbia University in 1949, when Eisenhower was its president. But matters of commerce hardly figured. Perhaps knowing Nehru's not-so-charitable views on US wealth, there was no business delegation that accompanied Eisenhower — something that's an essential part of bilateral head of state visits in the twenty-first century.

In the rising heat of the Cold War the bonhomie evaporated. Nehru's reciprocal visit to the US in 1961 during John F Kennedy's presidency was a testy affair, given India's embrace of the Soviet Union. Richard Nixon's visit a decade after Eisenhower could charitably be described a

disaster. It was more a 22-hour stopover than a full-fledged state visit. You only need to scan the *New York Times* pages on the eve of Nixon's visit to get a sense of its lack of purpose. So wide was the gulf of distrust between the two nations, and India's inconsequence in the larger scheme of things, that none of the issues you'd normally expect — South Asian regional stability, the Indo-Pakistan arms race, unrest in East Pakistan or the Chinese threat — made the headlines. The touring party was more worried about droppings from Delhi's trees.

"If Mr Nixon rides under clear skies with the top of his bubble down, he will have to beware the fallout from Delhi's ubiquitous Jamun trees. Their purplish bounty, a semi-sour cherry like fruit with a big, hard pit, splatters indiscriminately on heads of passers by these days," noted *NYT*. Not many were surprised when declassified US papers showed the contempt Nixon had for PM Indira Gandhi. The sentiment was certainly mutual. A year later, she returned



1. Prime Minister Jawaharlal Nehru receiving US President Dwight D Eisenhower at Parliament House in 1959 2. US President Richard Nixon with Prime Minister Indira Gandhi at Rashtrapati Bhavan in 1969 3. Bill Clinton during his visit to India in 2000 in the backdrop of the Kargil war 4. President Barack Obama and Prime Minister Manmohan Singh during the State Dinner at Rashtrapati Bhavan in 2010

the favour by not attending Nixon's banquet for heads of state on the sidelines on the UN's 25th anniversary celebrations. Jimmy Carter's visit in 1978, too, wasn't any more memorable than Nixon's. Carter said he loved reading the Bhagwat Gita presented to him by PM Morarji Desai. Carter in return offered Desai the two-volume journal of American writer Henry Thoreau.

From 1947 to 2000, there had only been three US presidential visits to India. Since 2000, counting Trump's, there would be five. It was perhaps an acknowledgement of India's growing economic and strategic importance. While Bill Clinton charmed Indians in 2000 in the backdrop of the Kargil war and signalled the end to post-Pokhran nuclear test sanctions, substantive gains were made during George W Bush's visit in 2006, with the signing of the landmark civilian nuclear deal.

Barack Obama is the only US president to make two state visits to India in 2010 and 2015. The

second, a hastily arranged special invitation as chief guest on Republic Day. In 2010, with Manmohan Singh as PM, who Obama had referred to as a "Global Guru" at a G20 Summit for his leadership in diffusing the global financial crisis, the expectations were understandably high. Both had a reputation of being cerebral. While Obama's celebrity quotient, having become the first Black President of the US with a landslide win, was at its peak, Singh too had won a second term in office with a bigger mandate for the Congress Party. The gush of warmth seemed unstoppable. If Clinton de-hyphenated India and Pakistan, Bush invested plenty of personal political capital on getting the nuclear deal through, Obama followed the path of the predecessors with greater vigour. At least that's what it looked like back in 2010. Moreover, in his address to the joint session of Parliament, Obama publicly endorsed India's candidacy for a permanent seat in the UN Security Council — the

first US President to do so. By 2015, the Modi bearhug had well and truly arrived on the global diplomatic arena and Obama was one of its early recipients. There was to be no parliamentary address during this short visit, but enough time for the man derided as *chaiwala* to personally make a cup of tea over a televised tete-a-tete in the lawns of the PM's residence. Pomp, pageantry and symbolism trumped over substance.

With a decelerating economy that weakens India's hands on geopolitical issues, would Trump's visit too go down that route? Maybe, just maybe, unlike the Grants, Melania and Donald Trump might think the Taj more beautiful than Trump Towers. One wouldn't bet on it, though.

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