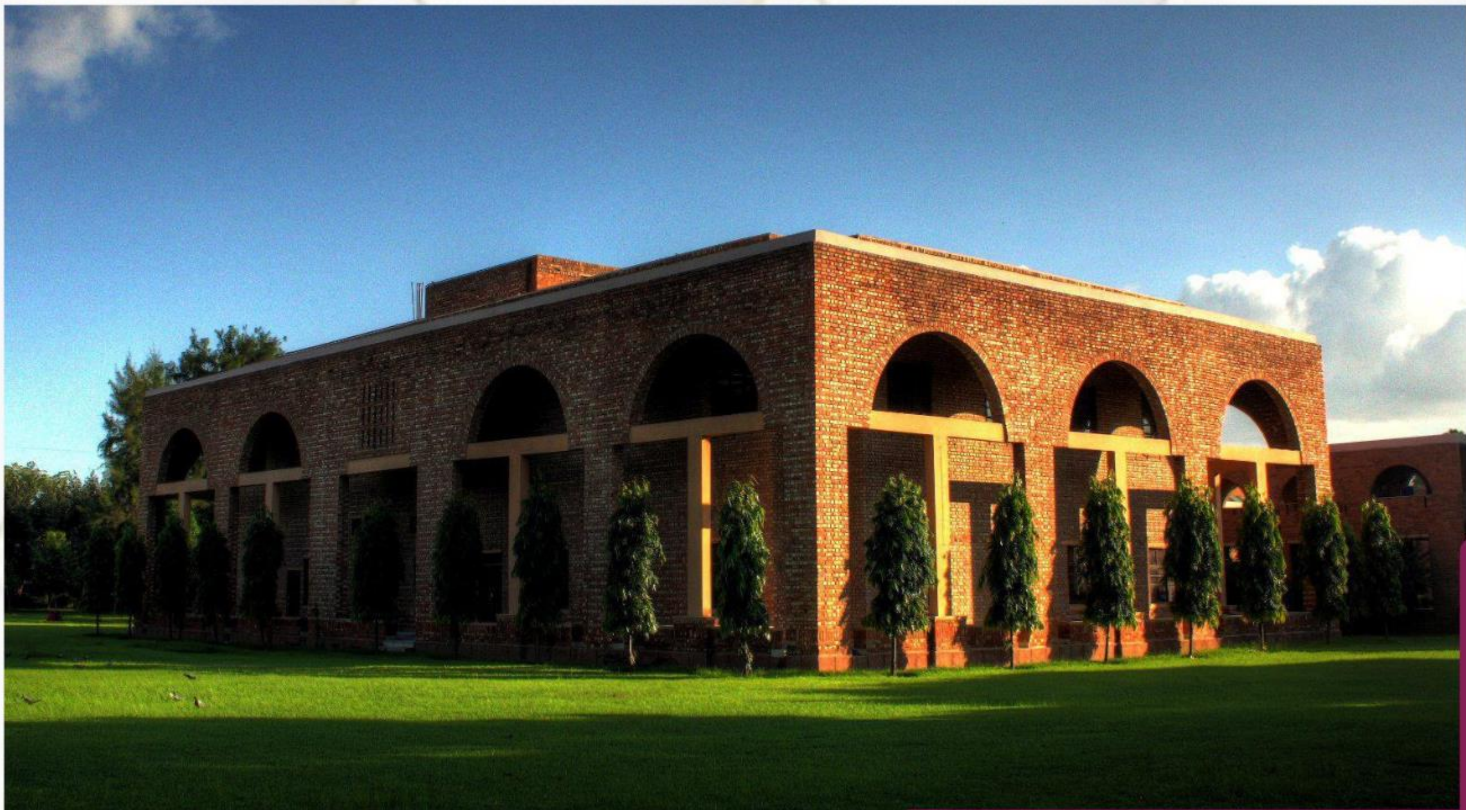
IMPULSE COMPENDIUM 2022

The International Business and Public Policy Club of MDI Gurgaon



Management
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IMpulse Compendium 2022

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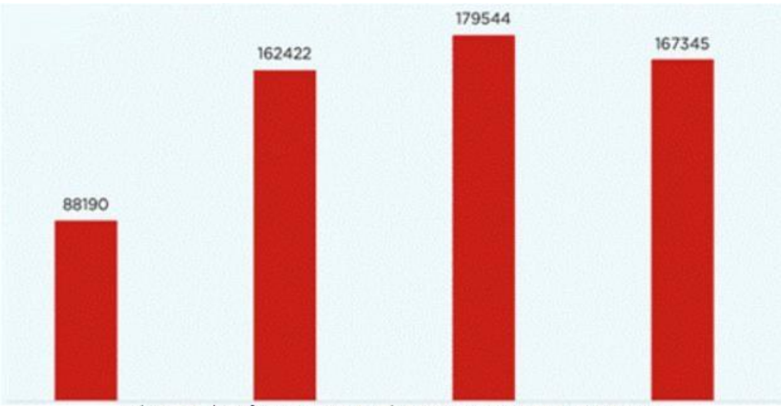
National Monetization Pipeline

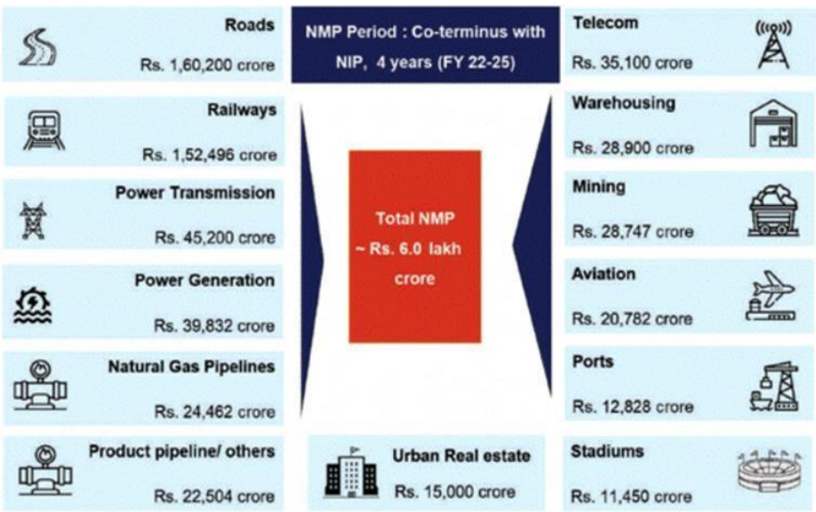
National Monetization Pipeline was one of the latest strategies adopted by the Finance Ministry to tap private sector investment for new infrastructure creation, critical to employment generation, high economic growth and rural-urban integration for overall public welfare. Launched by Union Ministry for Finance and Corporate Affairs and developed by NITI Ayog, NMP aims to generate around Rs 6 trillion (US$81 billion) over the next four years by leasing core assets for a fixed 25-year period.



Indicative Value of Monetisation Pipeline Year-wise FY 2022-25 (INR Crores)

Key Takeaways

Monetization is the transfer of revenue rights to private for a period so that the party taking the lease can operate and transfer it at the end of the lease period. It is different from privatization as monetization is leasing while privatization is sale, and Monetization is transfer of revenue rights while Privatization involves transfer of ownership rights as well. Potential of Rs 6 Lakh Crore or Rs 6 trillion through assets in the 4-year period – FY 2022 to FY 2025. The key industries are roads, transport & highways, railways, power, pipeline & natural gas, civil aviation, shipping ports & waterways, telecommunications, food & public distribution, mining, coal, housing & urban affairs.



Sector-wise Monetisation Pipeline over FY 2022-2025

Implications for Businesses

National Monetization Pipeline includes leasing the government assets to the private for better utilization of the dormant assets. The proceeds generated from this policy will be used to fuel creation of new infrastructure. Brownfield projects used to create Greenfield projects with minimal investment from the government. Only Core Assets which are Roads & Railways, Power, Pipelines & Telecom, Urban Infrastructure, Warehouse & Logistics and Seaports & Airports are considered for the NMP. Non-core assets which are Lands and Buildings are not considered for NMP.

Benefits and Concerns

NMP helps in the effective usage of current assets by utilizing the dormant assets to generate revenue. It also helps in the creation of employment with the help of the private sector. And, it will help to attract further investments and expand the investor base. Things that have to be taken care of are the political influences while implementing. Secondly, the possibility of extremes, i.e., the private sector going bankrupt and overexploitation to gain more profits. Finally, utilizing the funds generated from this towards current expenses rather than the goal, i.e., capital expenditure to create infrastructure.

There are three essential imperatives in the framework for core asset monetization.

- Assets transferred back to the government at the end of transaction life, monetization of 'Rights' rather than 'Ownership'
- Brownfield assets with low risk and predictable revenue streams
- Structured collaborations with specified contractual frameworks, KPIs, and performance requirements

This includes selecting de-risked and brownfield assets with a consistent revenue generation profile, as well as structuring the transaction around revenue rights. The government retains primary ownership of the assets under these structures, with the framework requiring asset handover to the public body at the end of the transaction life.

Global Overview

Australia's Asset Recycling Initiative (ARI, 2014) encourages private enterprises to fund and operate public infrastructure, with the goal of enabling states to recycle assets and reinvest the proceeds in new productivity-enhancing infrastructure. Indonesia's Limited Concession Scheme (LCS) is an alternative funding model for public infrastructure that makes use of existing assets currently managed by the central government and/or the state. This encourages private investment in public operations.

Future Outlook

NMP would help secure the long-term vision of the government of shoring up revenues of government and PSUs by improving their P&L, balance sheets, and capital base through effective asset monetization. The infrastructure sector will surely get a boost coupled with job creation, investments from private players, lack fear by the private organizations over clearances, delays in projects, litigation, and other formalities that have been turning away private investment for a long time in India. Oligarchy, a possible condition, especially in capital incentives sectors like electricity, airports, railways, coals, etc. may have to be curtailed with the help of CCI as a vigilante. This opportunity would surely tap them and unlock the value of investments in CPSE while acting as a litmus test before the government decides to roll out a full privatization plan for all its sinking assets.

Free Trade Agreement

Introduction

Following World War II, there was a shift toward a multilateral framework to assist global trade, and governments took steps to remove trade barriers. The average value of tariffs in effect throughout the globe has decreased by 85 percent since 1947 thanks to the early efforts under the General Agreement on Tariffs and Trade (GATT) and its successor, the World Trade Organisation (WTO). Despite the benefits of the multilateral system, the present state of stalled multilateral discussions has resulted in a surge in regional trade accords, with governments opting for bilateralism over multilateralism. India, too, has adjusted its foreign trade strategy to keep up with changing circumstances.

Free Trade Agreement

It is an accord between two or more countries to lower restrictions to imports and exports. Under a free trade policy, goods and services can be purchased and sold across international borders with little or no government taxes, quotas, subsidies, or restrictions to obstruct their interchange. Trade protectionism and economic isolationism are the opposites of free trade.

Indian Outlook on FTA

India has viewed free trade agreements (FTAs) as a vital strategy for increasing commerce and investment, and has signed over 18 pacts so far, including those with ASEAN nations (Japan, Korea, Singapore, Thailand, Sri Lanka, and Malaysia), SAARC countries, and SAFTA countries. It's worth noting that India is one of the top Asian nations with the most FTAs in operation, under negotiation, or in the planning stages. Metal, textile, machinery, cement, agricultural, and gem and jewellery are significant industries on which tariff concessions have been provided in the past, according to certain major trade agreements inked by India, such as the ASEAN–India FTA, India–Japan CEPA, and India–Korea CEPA.

The amount of commerce between India and these nations has increased significantly because of these trade agreements. Bilateral trade between India and other SAFTA member nations climbed from US$6.8 billion in 2005–06 to US$28.5 billion in 2018–19, according to data from the Ministry of Commerce and Industry. In the previous 11 years, India has signed just five free trade agreements, including only one since 2012. This somewhat cautious attitude may be explained by the fact that India's trade deficits with many key trading partners (Japan, Korea, and ASEAN countries) rose following these trade accords, implying a growing reliance on these countries for imports.

FTAs that are Unfavorable

India has inked free trade agreements with the Association of Southeast Asian Nations (ASEAN), the Republic of Korea, Japan, and Malaysia during the last decade. However, it is widely assumed that India's trading partners have benefited more than India from these accords.

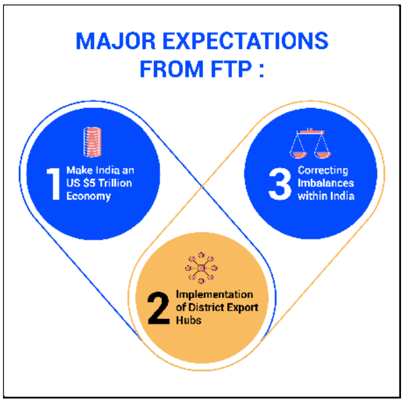
Protectionism: The Atmanirbhar Bharat campaign has fueled speculation that India is turning into a protectionist closed market economy.

Future Outlook

- **Switching to Multilateralism:** Given that India is not a signatory to any mega-trade agreements, this would be a critical component of a constructive trade policy agenda. After withdrawing from the Regional Comprehensive Economic Partnership (RCEP), India must show potential FTA partners, including the EU and the UK, that it is a viable option to China in the post-Covid era.
- **Economic Reforms:** India's trade strategy must be backed up by economic reforms that result in an open, competitive, and technologically innovative economy.
- **Improving Manufacturing:** The manufacturing sector's contribution of GDP must increase via the effective execution of programs like the Make in India initiative.

Furthermore, the Smart City Project, Skill India Program, and Digital India will necessitate foreign direct investment as well as a total reboot and regeneration of India's industrial sector. If India wanted to stimulate innovation, it should have announced an innovation incentivization strategy, because intellectual property rights are the other half of the innovation coin.

Foreign Trade Policy



The Ministry of Commerce and Industry's Directorate General of Foreign Trade (DGFT) is working on a new Foreign Trade Policy (FTP) that will be implemented in April 2022 and will be valid for the next five years in the hopes of providing a stable and sustainable policy environment and regime; linking rules, procedures, and incentives for exports and imports with other initiatives such as Make in India, Digital India, and Skill India; and diversifying the economy.

International commercial transactions have become more complicated as a result of the worldwide revolution of commerce through digitalization. As a result, a holistic strategy is more crucial than ever, and Indian policymakers must work on synchronising, simplifying, and synergizing FTP objectives with other policy initiatives while also guaranteeing their compliance, compatibility, and coherence with the global trading system. As a result, major improvements and refinements are required to make the new FTP acceptable for both policy and Exim operations. By mobilising foreign investment to increase manufacturing exports and encouraging more trade and investment synergy, the impending FTP can help India become a competitive exporter.

Production Linked Incentives

What is PLI?

- Production Linked Incentive schemes have been developed by the government of India with the objective to make domestic manufacturing globally competitive and to make India global Champions in manufacturing. It will encourage domestic manufactures to start or expand their production and also attract more foreign companies to start manufacturing and production in India by giving incentives on incremental sales from products manufactured in domestic units.
- Incremental sales refer to a situation in which a corporation sells more things than expected. Companies set sales targets based on previous performance and forecasts for the future. Then employees are urged to make even more, with the excess being referred to as incremental. However, in order to increase production and sell more products, businesses normally need to go self-funding. However, the government will pay subsidies/incentives under the PLI Scheme on this "Incremental Sale" of goods created in domestic units, i.e., within India.

S.No	Sector	Outlay (in Crore)
1	Automobile and Auto Components	57042
2	Pharmaceuticals Drugs	15000
3	Advance Chemistry Cell (ACC) Battery	18100
4	Electronic/Technology products	5000
5	Food Processing	10900
6	Medical Devices	3420
7	Metals and Mining	6322
8	Mobile Manufacturing and specified electronic components	40951
9	Renewable Energy (Solar PV)	4500
10	Telecom	12195
11	Textiles and Apparel	10683
12	White Goods	6238
13	Drug Intermediaries and Active Pharmaceutical Ingredients	6940
	Total	**197291**

- The finance minister approved a budget of INR 1.97 lakh crores for 13 important industries under the Production-Linked Incentive (PLI) Schemes and as a result, India's minimum production is estimated to reach over US$ 500 billion in five years.

Need of PLI

- The Government cannot continue making more and more investments in sectors that are very capital intensive and will provide returns only in the long run. Therefore, inviting global and domestic companies with enough capital to set up manufacturing capacities in India will help the government to meet its production targets.
- PLI will prove to be helpful in decreasing imports and will overall balance the trade deficit of the country.
- In a labour-intensive country like India, focusing more on the influx of capital will help in growth and also generate employment opportunities.

Initial Response

The strategy was created for a few select industries in FY2019–20, including the manufacturing of mobile phones and related equipment, pharmaceutical ingredients, and medical devices. The Ministry of Electronics and Information Technology (MEITY) and the Department of Pharmaceuticals implemented this with a budget of Rs. 51,311 crore spread over five years. The scheme benefited

150 manufacturing units in FY2020, earning Rs 46,400 crore in incremental sales and demonstrating great potential for additional employment over the next eight years.

Analysis of the impact on individual sectors

Textile Products:

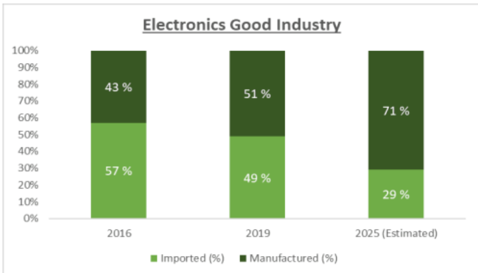
The Indian textile sector is one of the world's largest, accounting for around 5% of global textile and garment exports, worth Rs. 673 crores. However, in comparison to worldwide demand and consumption, India's share in the man-made fibre category is small. The PLI program will attract massive investments in the sector, particularly in the man-made fibre (MMF) segment and technical textiles, in order to drive domestic manufacture. The goal of the program is to develop 50-60 globally competitive champion enterprises in two textile segments: man-made fibres and technological fibres. Airbags, sutures, sanitary napkins, and bandages might be among the ten technical textiles products to benefit from the scheme, which also includes 40 MMF items such as tracksuits and coats.

Advance Chemistry Cell (ACC) battery:

The government is putting up significant efforts to encourage the usage of electric vehicles (EVs), which have previously encountered challenges due to high battery costs and a lack of support infrastructure. Batteries, which account for almost half of the cost of an electric vehicle in India, are usually imported. Local manufacturing facilities are encouraged to lower production costs and create healthy competition under the PLI scheme. Apart from encouraging electric vehicles, there has been a strong push for reliable renewable energy power, which necessitates the use of ACC batteries with huge energy storage capacity.

Electronic and Technology Products:

The first round of applications for the scheme attracted global majors such as Apple's contract manufacturers Foxconn, Wistrom, and Pegatron; Samsung; and local players such as Lava, Optiemus, and Dixon – committing >Rs. 11,000 crore. According to the India Electronics and Semiconductor Association, 1.1 million direct jobs in technology-related fields will be produced in the next five years. Factory workers and supervisors are already in high demand, according to hiring firms.



Automobiles and Auto Components:

In India, the automobile sector is a significant economic contributor. The PLI plan is expected to boost the Indian automobile industry's competitiveness and globalization.

Pharmaceutical Drugs:

India currently sells pharmaceuticals to 200 nations throughout the world, but imports high-value patented medications for domestic use. The initiative intends to make India's pharmaceutical industry more globally competitive by lowering import costs.

Telecom and Networking Products:

The telecom sector's PLI plan aims to offset telecom equipment imports while also bolstering the 'Make in India' drive for telecom items in the domestic market. India currently imports telecommunications and network equipment worth Rs 50,000 crore annually. Core transmission equipment, 4G and 5G infrastructure, next-generation radio access networks, wireless access equipment, customer premises equipment, and IoT access are among the approved product lines for this area.

Solar PV Modules:

PLI scheme aims to build 100 GW of solar PV manufacturing capacity in the next two years, will also boost demand for locally made components such as ethylene-vinyl acetate (EVA) sheets, solar glass, back sheet, and junction boxes, resulting in a Rs. 17,500 crore rise in demand. This will contribute to the growth and expansion of the solar PV manufacturing ecosystem. The program is expected to employ 3,000 people directly in solar panel manufacturing and 120,000 people indirectly in ancillary and associated industrial activities, packaging, shipping, and other services.

White Goods (ACs and LEDs):

In the air conditioning business, the strategy is anticipated to help achieve three goals. To begin, India's manufacturing capacity must be increased. Many components are now imported. As a result, India's self-reliance will be enhanced beyond the assembly of units to include the manufacture of air conditioner units. Second, because the material components utilized in production (such as aluminum, copper, PCB, compressors, and motors) are not produced locally, value addition in air conditioners is minimal which is now at 25%. As a result, the goal is to boost value addition from 25% to 75% in the next five years and reverse the value chain. Finally, the goal is to make India competitive in terms of quality and cost on the global stage.

Specialty Steel Products:

The inclusion of the sector in the PLI scheme will boost investments, increase production, create jobs, and make technology upgrades easier. Apart from that, the project will promote domestic production of the electrical industry's import-dependent cold-rolled grain-oriented (CRGO) steel grade.

Future Outlook:

- Growth in industrial goods production and exports will expose the Indian industry to more foreign competition and ideas, allowing it to improve its ability to innovate.
- Promotion of the manufacturing sector and the establishment of a favourable manufacturing ecosystem will allow for integration with global supply chains as well as backward connections with the country's MSME sector.
- It will boost the economy's overall growth and offer a lot of job possibilities.

Cryptocurrency

A **cryptocurrency**, **crypto-currency**, or **crypto** is a collection of binary data which is designed to work as a medium of exchange. Individual coin ownership records are stored in a ledger, which is a computerized database using strong cryptography to secure transaction records, control the creation of additional coins, and verify the transfer of coin ownership. Cryptocurrency does not exist in physical form (like paper money) and is typically not issued by a central authority. When a cryptocurrency is minted or created before issuance or issued by a single issuer, it is generally considered centralized. When implemented with decentralized control, each cryptocurrency works through distributed ledger technology, typically a blockchain, that serves as a public financial transaction database.

History

In 1983, the American cryptographer David Chaum conceived an anonymous cryptographic electronic money called ecash. Later, in 1995, he implemented it through Digicash, an early form of cryptographic electronic payments which required user software to withdraw notes from a bank and designate specific encrypted keys before they can be sent to a recipient. This allowed the digital currency to be untraceable by the issuing bank, the government, or any third party.

In 2009, the first decentralized cryptocurrency, bitcoin, was created by presumably pseudonymous developer Satoshi Nakamoto. On 6 August 2014, the UK announced its Treasury had commissioned a study of cryptocurrencies, and what role, if any, they could play in the UK economy. The study was also to report on whether regulation should be considered. In August 2021, Cuba followed Resolution 215 to accept Bitcoin as legal tender, which will circumvent U.S. sanctions. In September 2021, the government of China, the single largest market for cryptocurrency, declared all cryptocurrency transactions illegal, completing a crackdown on cryptocurrency that had previously banned the operation of intermediaries and miners within China.

Architecture

Decentralized cryptocurrency is produced by the entire cryptocurrency system collectively, at a rate that is defined when the system is created and which is publicly known.

- **Blockchain** - The validity of each cryptocurrency's coins is provided by a blockchain. A blockchain is a continuously growing list of records, called *blocks*, which are linked and secured using cryptography.
- **Nodes** - In the world of Cryptocurrency, a node is a computer that connects to a cryptocurrency network. The node supports the relevant cryptocurrency's network through either; relaying transactions, validation, or hosting a copy of the blockchain.
- **Timestamping** - Cryptocurrencies use various timestamping schemes to "prove" the validity of transactions added to the blockchain ledger without the need for a trusted third party.

- **Mining** - In cryptocurrency networks, *mining* is a validation of transactions. For this effort, successful miners obtain new cryptocurrency as a reward. The reward decreases transaction fees by creating a complementary incentive to contribute to the processing power of the network.
- **Anonymity** - Bitcoin is pseudonymous rather than anonymous in that the cryptocurrency within a wallet is not tied to people, but rather to one or more specific keys (or "addresses"). Thereby, bitcoin owners are not identifiable, but all transactions are publicly available in the blockchain.

Bitcoin Mining Computers in China

Increased Regulations in 2021

The rise in the popularity of cryptocurrencies and their adoption by financial institutions has led some governments to assess whether regulation is needed to protect users. The European Commission published a digital finance strategy in September 2020. This included a draft regulation on Markets in Crypto-Assets (MiCA), which aimed to provide a comprehensive regulatory framework for digital assets in the EU. On 10 June 2021, The Basel Committee on Banking Supervision proposed that banks that held cryptocurrency assets must set aside capital to cover all potential losses.

Conference Of Parties (COP) 26:
Glasgow Climate Summit

COP26 was the latest and one of the most important steps in the decade's long, UN- facilitated effort to help stave off what has been called a looming climate emergency. In 1992, the UN organized a major event in Rio de Janeiro called the Earth Summit, in which the UN Framework Convention on Climate Change (UNFCCC) was adopted. In this treaty, nations agreed to "stabilize greenhouse gas concentrations in the atmosphere" to prevent dangerous interference from human activity on the climate system. Today, the treaty has 197 signatories. Since 1994, when the treaty entered into force, every year the UN has been bringing together almost every country on earth for global climate summits or "COPs", which stands for 'Conference of the Parties'.

Key Takeaways

The 26th United Nations Climate Change conference is an annual climate change summit attended by world leader from over 190+ countries every year. The main goals of each summit is to create a dialogue for countries to counter climate change, create specific provisions for it in their laws and take actions that would curb its spread at a global level. The 2021, COP26 was different from other meets as it included many issues that were previously not taken seriously. These issues coupled with COVID-19 pandemic fiasco has compelled and motivated many countries to take a positive stand toward climate change.

Global overview

The package of decisions consists of a range of agreed items, including strengthened efforts to build resilience to climate change, to curb greenhouse gas emissions and to provide the necessary finance for both. Nations reaffirmed their duty to fulfil the pledge of providing 100 billion dollars annually from developed to developing countries. And they collectively agreed to work to reduce the gap between existing emission reduction plans and what is required to reduce emissions, so that the rise in the global average temperature can be limited to 1.5 degrees. For the first time, nations are called upon to phase down unabated coal power and inefficient subsidies for fossil fuels. As part of the package of decisions, nations also completed the Paris Agreement's rulebook as it relates to market mechanisms and non- market approaches and the transparent reporting of climate actions and support provided or received, including for loss and damage.

Outcomes

Deforestation

Leaders of more than 100 countries with around 85% of the world's forests, including Canada, Russia, the Democratic Republic of the Congo and the United States, agreed to end deforestation by 2030, improving on a similar 2014 agreement by now including Brazil, Indonesia, businesses and more financial resources.

Coal

South Africa is set to receive $8.5 billion to end its reliance on coal, details are sparse regarding capping mines, exports and local community support for the workers in the industry. Countries including Chile, Poland, Ukraine, South Korea, Indonesia and Vietnam also agreed to phase out coal in the 2030s for major economies, and the 2040s for poorer nations. These nations include some of the world's most intensive users of coal.

Methane

The US and many other countries agreed to limit methane emissions. More than 80 countries signed up to a global methane pledge, agreeing to cut emissions by 30% by the end of the decade. The US and European leaders say tackling the potent greenhouse gas is crucial to keeping warming limited to 1.5 °C (2.7 °F). Australia, China, Russia, India and Iran did not sign the deal, but it is hoped more countries will join later.

Net-zero targets

Many attendees committed to net-zero carbon emissions, with India and Japan making specific commitments at the conference. India, the third-largest emitter of carbon dioxide by jurisdiction, set the latest target date planning to be net-zero by 2070. Japan is to offer up to $10 billion in additional funding to support decarbonisation in Asia. Earlier in October, China – the largest emitter of carbon dioxide by jurisdiction – had committed to net-zero carbon emissions by 2060.

Agriculture

45 countries, including the UK, U.S., Japan, Germany, India, Indonesia, Morocco, Vietnam, Philippines, Gabon, Ethiopia, Ghana and Uruguay, pledged to give more than $4 billion for transition to sustainable agriculture

Fossil fuels

A draft text published on 10 November asked governments to accelerate phase-outs and desubsidization of fossil fuels, the largest source of (anthropogenic) global greenhouse gas emissions

Transportation

The conference placed electric cars and pledges for vehicle electrification at the centre, while, according to activists, better investment and political will for sustainable transport modes have not been forced through with the focus not being on public transport and cycling

Impact on India

At the COP26 climate summit in Glasgow earlier this month, PM Modi said India will achieve net-zero emissions by 2070. This was one of the five major commitments or "panchamrit" he made on behalf of India, to mitigate climate change. The rest are as follows:

1. India will bring its non-fossil energy capacity to 500 GW by 2030
2. India will bring its economy's carbon intensity down to 45 per cent by 2030
3. India will fulfil 50 per cent of its energy requirement through renewable energy by 2030
4. India will reduce 1 billion tonnes of carbon emissions from the total projected emissions by 2030

Future Outlook - COP26 has opened doors for many underdeveloped countries to restructure their own laws in order to curb climate change. As these countries are major dumping grounds for hazardous material that originates from developed companies, a tough stand on creating sustainable practices for dumping and recycling would help. The limit of maintaining global temperature rise by 1.5 degree Celsius is the need of the hour, as long as developed countries are willing to curb unnecessary production give grants to lesser developed countries, limit waste production and change their anti-dumping laws, it would be viable for all the planet to see changes right from now.

Air India – Company Overview

Air India, formerly Air-India, an airline founded in 1932 (as Tata Airlines) that grew into the flagship international airline of India; in addition to domestic routes, it serves southern and eastern Asia, the Middle East, Europe, Africa, Australia, the United States, and Canada. Headquarters are in Mumbai.

Timeline

1932
- Air India founded by JRD Tata as Tata Airlines, India's first airline.

1946
- TATA Airlines becomes a public company
- Renamed as Air India Limited

1948
- Government acquires 49% stake

1953
- Air India nationalized

2007
- Air India merges with Indian airlines

2012
- Air India had over ₹67000 crore in debt
- Government approves a ₹30000 crore bailout for Air India

2018
- The government attempts a plan to sell a 76% stake due to lack of interest from bidders

2020
- Second attempt by government
- Offers 100% stake

2021
- Government announces Tata Sons as the winning bidder for its 100% stake in Air India for ₹ 18,000 crore

Key Management Personnel

Shri Rajiv Bansal, Chairman

- 1988 batch IAS officer has more than 30 years of experience
- Worked MEIT ministry, UPI payments, Previous secretary CERC

Shri Vinod Hemjadi, Director Finance

- Joined Air India in 1992, has more than 33 years of experience
- Chartered Accountant, Head of finance Midwest region USA

Understanding the Air India Acquisition

The Final Deal

- The Tatas will own 100% stake in Air India
- 100% stake in international low-cost arm Air India Express
- 50% stake in the ground handling joint venture, Air India SATS.
- 141 planes and access to a network of 173 destinations including 55 international ones
- Ownership of iconic brands like Air India, Indian Airlines and the Maharajah

Why was air India sold?

- Government-run airline: The government running an airline did not fully fit with the liberalization credo.
- Continuous losses: making losses since 2007 and relied on taxpayer-funded bailouts to stay operational. The government said it was making a loss of nearly 200m rupees ($2.6m) every day to run the airline.

What led to the Final Deal this time?

- 100% Stake- private players were uninterested as long as the government retained a certain stake.
- Complete Operational freedom
- Debt sharing: Previously, the govt. wanted bidders to bear a portion of the debt. This time, govt. let the bidders decide the amount of debt they wanted to pick up.

Significance of the Deal

Government's Perspective

- **Role-** It indicates government's commitment to reducing the government's role in the economy
- **Easing burden on taxpayers** This claims to have saved taxpayers from paying for daily losses of AI.
- **Past**- Given the AI's disinvestment in the past, or any disinvestment at all this is a major accomplishment.

Business Perspective

- **Target -** In terms of money, the agreement does not represent a significant step toward the government's current-year disinvestment goal.
- **Unresolved bankruptcy:** The government's assets, such as buildings and other real estate, are expected to earn Rs 14,718 crore. However, the government will still be responsible for a debt of Rs 28,844 crore.

Tatas' and Value Perspective

- **Back again--**Apart from the emotional issue of recovering ownership of an airline that they founded, the Tatas see AI's purchase as a long-term investment.
- **Investment boost:** if this works out well, Tatas are expected to invest far more than what they have paid the government.

Further topics to read on:

[The economic reforms — looking back to look ahead]

With India's GDP shrinking to 7.3% in 2020-21, showcasing the worst performance of the its economy since independence, the need for analyzing the economic reforms of the last 30 years appears paramount to understand their impact and identifying the drivers of economy which are currently underperforming.

[Brexit one year on: the impact on the UK economy]

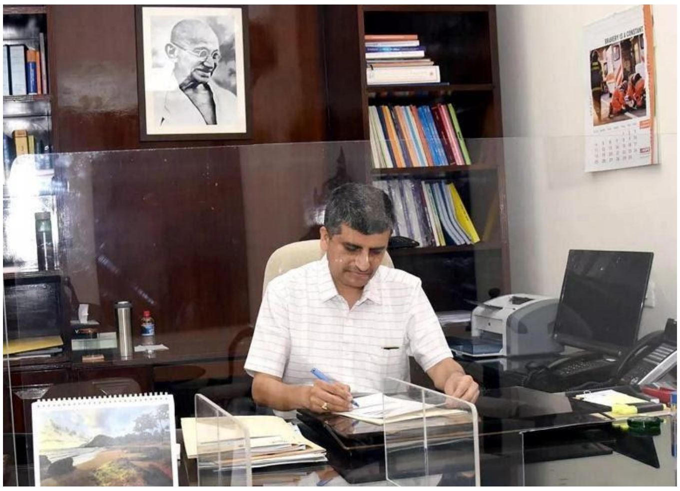
According to economists, leaving EU has negative implications, although exact costs are unknown. Economists are concerned that inconsistencies in ONS's counting of GDP may have temporarily reduced the UK figure. They're also concerned about differing underlying growth rates that have nothing to do with Brexit, also different Covid-19 pandemic experiences.

Toolkit for the Indian reformer: The farm laws fiasco offers 7 lessons on how to reform in a democracy

On 19 November, PM Modi startled country by rescinding farm laws that had sparked widespread demonstrations. On the one hand, it was a success for India's democracy, but it was a setback for the farmer, who had hoped for freedom from trader cartels, state bureaucracy, and the life of a peasant.

India needs to double capex in medium term to fund infra: DEA Secy

Capex, both infrastructural and industrial capex, accounts for roughly 5-6% of GDP. We need to double it in the medium future, which will need using all available channels to channel money, with savings coming from a variety of sources depending on the needs of different types of investors.



Negative electricity prices: lockdown's demand slump exposes inflexibility of German power

A drop in demand combined with a particularly bright and windy few months in Germany drove wholesale power prices down and to new lows. Paying purchasers to absorb energy was cheaper than conducting a shut-down re-start procedure, therefore fossil producers did precisely that.

Vodafone Idea accepts 4-year spectrum payment moratorium.

Vodafone Idea will accept government's offer of a four-year moratorium on spectrum payments, which analysts believe will provide financially strapped telco with roughly ₹60000 crore in cash flow relief. According to DoT, carrier will receive BGs for spectrum worth roughly ₹14000 crore, allowing it to borrow more money from banks.

Chip sales are set to grow nearly 10% in 2022 as risks rise

According to a forecast published by Euler Hermes, chipmaker sales are predicted to increase dramatically in 2022, with an increase of 10% expected to reach $600 billion. However, the paper warns that chipmakers will face risks such as demand normalization following a two-year surge in hardware sales and an increase in the frequency of severe weather occurrences.

Turkey inflation surges 36% amid lira crisis

Turkey's annual inflation soared to 36.08 percent year-on-year in December 2021, compared to a prediction of 30.6 percent, the most since September 2002, according to figures released on Monday, indicating the lira's depreciation late last year. Furthermore, the Turkish Statistical Institute said that consumer prices jumped 13.58 percent month over month, compared to a Reuters poll projection of 9%.