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Politics

Nepal map Bill is now the law

YABARAJ GHIMIRE & SHUBHAJIT ROY, *The Indian Express*, 19 June 2020

KATHMANDU: Nepal set itself on a collision course with India Thursday after the Upper House unanimously cleared a constitution amendment Bill, endorsing the country's new map that includes territories with India. President Bidhya Devi Bhandari gave her assent to the Bill within hours of its passage in the Rastriya Sabha. This deepens the boundary row with India which has already rejected Nepal's claim to the areas of Kalapani, Lipulekh and Limpiyadhura in Uttarakhand, saying it is "violative of our current understanding to hold talks on outstanding boundary issues".

In New Delhi, sources said the government was "disappointed" at the manner in which Kathmandu did not try to create a "conducive atmosphere" and "positive situation", despite the feelers for talks. The onus, sources said, was on the Nepal government. In the Rastriya Sabha (the National Assembly of Nepal, the upper house of the bicameral Federal Parliament of Nepal), 57 of the 58 members — except the Chairman — voted 'aye' in favour of the Bill.

Chairman Ganesh Prasad Timilsina certified the House resolution. The Bill, passed earlier by the House of Representatives, gives Prime Minister KP Sharma Oli the constitutional mandate to "reclaim" the territories from India as promised. "We must have these areas under our administrative control," said Radheshyam Adhikary, member of the Opposition Nepali Congress in Rastriya Sabha. "We had to bring the new map because India, despite having accepted these areas as disputed, included them in its map and unilaterally built a road there," he said.



This was a reference to the May 8 inauguration of the Dharchula-Lipulekh road on the Mansarovar Yatra trail by Indian Defence Minister Rajnath Singh. Members of the ruling Nepal Communist Party were more vocal, blaming India for matters coming to a head. Oli did not speak during the House debate on the matter but later, while responding to a debate on the annual budget, said: "The solidarity, with no one opposing the constitution amendment Bill, shows that we stand together on the issue of national unity and that no effort from any side to divide us will succeed." With the Bill becoming law, it will be mandatory for the government to use the new official map and the national emblem which has the map.

The Nepal Ministry of Foreign Affairs, meanwhile, indicated that it will clarify to India its efforts to hold a dialogue since last November, soon after India included Kalapani, Lipulekh and Limpiyadhura in its new map published following the bifurcation of Jammu and Kashmir into two Union Territories (a type of administrative division in the Republic of India similar to federal territories governed directly by the Government of India). Asked about Nepal's view on the India-China faceoff in Ladakh, sources said "we will maintain a neutral posture, but we sincerely wish that both sides sort it out peacefully and through dialogue." In New Delhi, government sources said India had proposed a "video-conference", phone calls between the Foreign Secretaries, apart from possible visits to India by Nepal's Foreign Secretary to discuss the boundary issue. Sources said the proposal was sent before the issue was taken up in the Nepal parliament.

India seeks to ease tensions with China after Himalayas clash

ASHOK SHARMA & EMILY SCHMALL, The Washington Post, 18 June 2020

NEW DELHI: India said Thursday it was using diplomatic channels with China to de-escalate a military standoff in a remote Himalayan border region where 20 Indian soldiers were killed this week. India's External Affairs Ministry spokesman Anurag Srivastava said both sides agreed to handle the situation responsibly. Monday's clash that killed 20 Indian troops was the deadliest between the sides in 45 years. China has not said whether it suffered any casualties. Indian news reports said Thursday that 76 Indian soldiers were hospitalized with injuries following the clash. All are in stable condition, according to New Delhi Television. The Indian Army did not issue a statement about the injured soldiers and Defence Ministry spokesman Col. Aman Anand did not respond to a text message seeking comments. Indian officials have denied reports that any of its troops were in Chinese custody. India and China have accused each other of instigating the clash in the valley, which is part of the disputed Ladakh region along the Himalayan frontier.

The deaths happened in the thin air at 4,270 meters (14,000 feet) above sea level, when soldiers brawled with clubs, rocks and their fists with no shots fired, Indian officials have said. The soldiers carry firearms but are not allowed to use them under a previous agreement in the border standoff dispute. China maintained that Indian troops had deliberately provoked the clash, though it also signalled it wanted talks, noting the importance of their broader bilateral relationship. Foreign Ministry spokesperson Zhao Lijian, citing Chinese Foreign Minister Wang Yi in a call with his Indian counterpart, said that "mutual respect and support serves our long-term interests." But emotions were high in the south Indian city of Hyderabad, where thousands watched the funeral procession of Indian Col. Santosh Babu. He was among the 20 Indian troops who officials said died of injuries and exposure after the clash in the area's subfreezing temperatures.

In the Indian Himalayan city of McLeod Ganj, the seat of the Tibetan government-in-exile, demonstrators shouted anti-China slogans and burned the Chinese flag. An Indian confederation of small and midsize companies called for a boycott of 500 Chinese goods to express "strong criticism" of China's alleged aggression in Ladakh. The boycott call followed protests Wednesday in New Delhi where demonstrators destroyed items they said were made in China while chanting, "China get out." The Himalayan clash has fanned growing anti-Chinese sentiments due to the coronavirus. India has confirmed more than 366,000 virus cases and 12,200 deaths. But a broader boycott could backfire for India if China chose to retaliate by banning exports of raw materials used by India's pharmaceutical industry. The clash escalated a standoff that began in early May, when Indian officials said Chinese soldiers crossed the border in three places, erecting tents and guard posts and ignoring warnings to leave. That triggered shouting matches, stone-throwing, and fistfights between the opposing sides, much of it replayed on TV news programs and in social media. The action has taken place along a remote stretch of the 3,380-kilometer (2,100-mile) "Line of Actual Control" — the border established following a war between India and China in 1962 that resulted in an uneasy truce.

China claims about 90,000 square kilometers (35,000 square miles) of territory in India's northeast, while India says China occupies 38,000 square kilometers (15,000 square miles) of its territory in the Aksai Chin Plateau in the Himalayas, a contiguous part of the Ladakh region. India unilaterally declared Ladakh a federal territory while separating it from disputed Kashmir in August 2019. China was among the handful of countries to condemn the move, raising it at international forums, including the U.N. Security Council.

Pakistan rejects Indian statement on 'abducted' diplomats

ASAD HASHIM, Al Jazeera, 17 June 2020

ISLAMABAD: Pakistan's government has "categorically rejected" Indian assertions that two Indian diplomats had been "forcibly abducted" in the Pakistani capital earlier this week, saying the men had been involved in a hit-and-run traffic accident and had been returned to Indian custody after legal formalities were completed. In a statement released late on Tuesday, Pakistan's Foreign Office said the two men "were over-speeding and crashed their car into a pedestrian on [Monday]".

The men, named by Pakistan as Dwimu Brahma and Selvadas Paul, were returned to the custody of a senior Indian High Commission official later the same day, Pakistan's Foreign Office said. The incident is the latest in tensions between the two South Asian neighbours, who routinely accuse each other of harassing their diplomats. Earlier this month, India expelled two Pakistani High Commission staff stationed in New Delhi for "espionage".



India disputes Pakistan's version of events, saying the men were attacked by unnamed "Pakistan security agencies", a term often used to refer to the country's intelligence services. "The two Indian officials were subjected to interrogation, torture and physical assault resulting in grievous injuries to them," said India's Ministry of External Affairs in a statement issued on Tuesday. "They were video-graphed and coerced to accept a litany of fictitious allegations and concocted charges." Pakistan's charge d'affaires at its High Commission in New Delhi was summoned to register India's "strong protest" against the incident.

Pakistan, however, termed the Indian statement "a reprehensible attempt to distort facts and deny the culpability of these officials in criminal offences". Its Foreign Office said the men had been involved in "illegal actions and reckless conduct", and that their behaviour violated the norms of the Vienna Convention on Diplomatic Relations. Pakistan says the men were also carrying "fake currency" when they were apprehended. Police in the Pakistani capital Islamabad did not respond to a request by Al Jazeera for comment on Wednesday. Earlier, police spokesman Zia Bajwa said the police would not be issuing statements on the incident, as that was the purview of the Foreign Office.

India and Pakistan have fought three wars since gaining independence from the British in 1947. Relations have been particularly tense in recent years, with conflict centring on the disputed region of Kashmir, which both claim in full but administer separate portions of. On Tuesday, Pakistan's foreign minister said the country was "closely monitoring" escalating tensions between China - a Pakistan ally - and India along their disputed border in Kashmir region, after a clash between their forces saw at least 20 Indian soldiers killed in the Galwan Valley.



Blowout protests hit oil operations

UMANAND JAISWAL, The Telegraph, 19 June 2020

GUWAHATI: Operations have been disrupted at 31 oil and five gas wells of Oil India Limited because of continued protests by locals at Assam's Baghjan demanding immediate compensation and rehabilitation of those affected by a gas well blowout and fire. An Oil India official pegged the company's losses from the May 27 blowout in Tinsukia district and the disruptions at US\$1.9 million. "We are requesting the locals to see sense and call off their protests. We have already asked the district administration to carry out an assessment so that we can compensate those genuinely affected. We have also asked them to intervene to amicably resolve the issue," the official said.

Locals continued to disrupt functioning of Oil India on Thursday in the greater Baghjan area, around 530km east of Guwahati, in protest the alleged "slowness" and "indifference" of the administration towards their demands for expedited compensation and rehabilitation. "We have scaled up our protests by not allowing Oil India to operate its gas and oil wells in the greater Baghjan area. We will continue to do so till our demands for time-bound assessment of our losses, disbursement of compensation, rehabilitation of the affected and restoration of ecology are met," Hemanta Moran, adviser to the Baghjan Gaon Milanjyoti Sangha, a local NGO, told The Telegraph.



A peaceful dharna is being staged by the locals at the relief camps every day. No untoward incident had been reported till Thursday evening. The fire at the well broke out on June 9, aggravating the problems of locals. Most residents within 1.5km of the affected gas well have lost their livelihood because of the pollution. Around 25 people have lost their homes and two Oil India firefighters died while trying to battle the blaze. An Oil India statement said: "Due to stoppage/blockades, there was production loss of 406MT of crude oil and 0.64 million metric standard cubic metres (MMSCM) of natural gas as reported on June 17 (Wednesday). Operations were disrupted in 31 oil wells and five gas wells. Cumulative production loss since May 27 due to bandhs and blockades: 6,538MT crude oil and 8.61MMSCM of natural gas."

Oil India also said that a survey to assess the damage and determine compensation had been initiated by a committee constituted by the Tinsukia district administration. The Sangha adviser and president said the assessment was being conducted for the past two days. Satyajit Moran and Hemanta Moran said a team from the public works department had started a survey for an alternative road from Baghjan to Tinsukia, around 1km from the affected gas well. The new road was promised by chief minister Sarbananda Sonowal as part of the development package announced by his government along with a school, veterinary hospital, and a skill development centre, besides a flood and erosion control project.

He had also announced maximum compensation to the affected but did not specify the amount. The locals were not satisfied with the steps, prompting Sonowal to subsequently direct the Tinsukia administration to speed up the projects. In Guwahati, senior AGP leader and former chief minister Prafulla Kumar Mahanta, after a stock-taking trip to Baghjan, demanded that the affected people be adequately compensated and rehabilitated as soon as possible.



India won seat on UN Security Council

RICK GLADSTONE, The New York Times, 17 June 2020

NEW YORK: Diplomats at the United Nations chose Mexico, India, Ireland and Norway in elections held Wednesday to fill upcoming vacancies on the Security Council, the most powerful authority in the 193-member global organization, which turns 75 years old this October. Canada, which competed in a three-way race with Norway and Ireland for two of the vacancies, failed to gain the minimum 128 votes required. Norway won 130 and Ireland 128. Mexico and India ran unopposed for the vacant seats allocated to their geographic regions.

Five of the 10 non-permanent seats in the 15-member council were up for election to two-year terms, starting Jan. 1. Results for one of the seats, representing the Africa region, was a tossup between Kenya and Djibouti, with neither receiving the required minimum. A second round of voting to decide the winner was set for Thursday. Canada also lost its bid in 2010 to join the Security Council. This year's defeat came despite the recruitment of Celine Dion to promote the country's candidacy to U.N. voters.

The elections were conducted under stringent rules this year for the first time because of the coronavirus pandemic, which has left much of the United Nations headquarters complex in New York closed to all but essential workers at least through July. Ambassadors who ordinarily would congregate in the General Assembly hall for the voting were instead admitted a few at a time in a staggered system, dropping secret ballots in a box and leaving.

A seat on the Security Council is considered a coveted honour in international diplomacy. Council members have a prominent voice on issues of peace and security, including the wars in Syria, Yemen and Afghanistan, the nuclear weapons harboured by North Korea, the Israeli-Palestinian conflict, and armed extremist groups like the Islamic State and Al Qaeda. The council's resolutions are binding, even if many go unenforced. It also is the only U.N. body authorized to approve the use of military force and is empowered to refer cases of genocide and other crimes against humanity to the International Criminal Court for prosecution.

Nonetheless, the council has been chronically paralyzed over the years by deep divisions, frequently pitting two of the permanent members, Russia, and China, against their Western counterparts, Britain, France, and the United States. Unlike non-permanent members, the so-called P-5 have veto power to defeat resolutions they deem objectionable. The voting on Wednesday also included the selection of a new General Assembly president, Volkan Bozkir, a Turkish diplomat, who ran unopposed and will take over from Tijjani Muhammad-Bande of Nigeria at the 75th annual session that begins in September. Precisely how that session will be conducted, given the health risks from the coronavirus pandemic, has not yet been announced.



Business

Unemployment rate falls rapidly in June

Times of India, 17 June 2020

NEW DELHI: The country's unemployment rate has fallen dramatically in June as more people return to work. The labour participation rate has also significantly improved after the easing of lockdown restrictions. "After clocking 23.5% in April and May, the unemployment rate first dropped to 17.5% in the first week of June and then took a steeper fall to 11.6% in the second week. This fall is almost as dramatic as the rise in unemployment when the lockdown began," said Mahesh Vyas, managing director and CEO of private economic think tank CMIE, on Tuesday.

He said the labour participation rate (LPR) was 40.4% in the week ended June 14. The rate had fallen from 42.6% in the week ended March 22, which was just before the lockdown, to 39.2% in the first week of the lockdown and further to 36.1% in the first week of April. It continued falling till the week ended April 26 when it reached its lowest level of 35.4, according to Vyas. The strict lockdown imposed in late March has stalled economic activity and hurt several key sectors. April saw a sharp rise in unemployment as several firms recorded job losses. There was a massive outflow of migrant workers from cities as they returned home to their villages and other towns.

Vyas said much of the labour participation that was lost during the lockdown has been regained but the gain in employment has been lesser. This is because the unemployment rate is still too high. The labour participation rate in the week ended June 14 was 94.7% of its level in the week just before the lockdown, which is the week of March 22. However, the employment rate during the week ended June 14 was only 91.4% of its pre-lockdown level, he added. "The return of labour to participate in the economy and the simultaneous fall in the unemployment rate suggest that the lockdown is being lifted effectively across the country. People are getting back to work. The worst seems to be over. It is highly likely that the recovery is mostly among the informal, self-employed workers who cannot afford to be away from work for too long," said Vyas.

Privatisation kicks in with auction of 41 coal assets

Financial Express, 19 June 2020

NEW DELHI: As many as 41 coal mines with estimated reserves of 16,980 million tonne (MT) are up for grabs, with the government on Thursday launching the maiden auction after it allowed private players to bid for coal blocks, without any end-use restrictions. This would also be the first set of coal assets to be auctioned off through the new market-determined revenue share model that replaced the fixed fee/tonne regime that turned off private investors. Also, seven of these assets are unexplored ones, and the investors will enjoy certainty of tenure from the prospecting to the production stages. The mines that are going under the hammer are in Madhya Pradesh (11), Chhattisgarh (9), Jharkhand (9), Odisha (9) and Maharashtra (3). The assets also include two coking coal mines and two blocks with both coking and non-coking reserves. Land acquisition has already been completed in 12 of them. To attract investors, the requirement of prior experience for prospective bidders has been done away with.



Announcing the launch of auction, Prime Minister Narendra Modi said that “mineral rich areas have not prospered as they should have been” and that “reforms and investment in coal sector will bring in ease of living in the remote corners”. Assuring that the country’s commitment to the environment will not be compromised, Modi said that “the government targets to gasify 100 million tonne of coal by 2030 and I have been told that projects have been identified for this purpose where US\$2.6 million will be invested”. Stating that the launch “marks a

paradigm shift in the way business in the coal sector will be conducted,” coal minister Pralhad Joshi said, “commercial coal mining is expected to contribute about US\$2.6 million annually to states as revenue”.

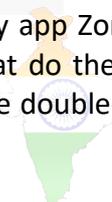
Once commercial mining picks up, it can potentially save US\$3.9 million per annum by substituting thermal coal imports. While the idea is to bring global mining giants such as BHP Billiton, Rio Tinto and Glencore into India’s coal mining sector, these firms are seemingly withdrawing from the sector in a gradual manner and as a result don’t seem to have a keen interest in India’s coal sector at this juncture. After the August 2019 Cabinet decision allowing 100% FDI in coal mining, Rio Tinto told FE that it is “no longer active in any form of coal production”. Mining major BHP too had said, “We do not expect to invest in our energy coal businesses for the lack of commercial viability.” Analysts, however, expect Indian players who have entrenched presence in user industries like power and steel might now bid for the coal blocks thanks to the removal of end-use restrictions and assorted regulatory reliefs.

A section of the industry, however, has raised concerns over the hefty taxes that coal miners have still to pay to the federal government, state, and local governments. Levies including royalties, Rs 400 (US\$5.24)/tonne GST compensation cess and contribution to district mineral funds, work out to more than 50% of the base price of the fuel, much higher than in other coal-rich countries like Australia (7%), South Africa (11%) and the US (4%). All India coal production inched up 0.05% in Fiscal Year (FY) 20, the lowest growth rate in at least 20 years, to 729.1 million tonnes. State-run Coal India, which is expected to ramp up production to 1 billion tonne by FY24, produced 602.2 MT, down 0.8% year-over-year (YOY). Captive coal output was 56 MT in FY20. So far, only 84 of the 204 blocks cancelled by the apex court have been reallocated — 36 auctioned off and the remaining assigned to public sector undertakings on a nomination basis and— and just 20 of them are producing coal.

Mapping China’s large trade footprint in India

ZIA HAQ, Hindustan Times, 19 June 2020

NEW DELHI: The deadly border skirmishes between India and China have cast a cloud over trade relations, which have seen the latter rapidly expand its footprint in the Indian economy, spanning infrastructure, physical goods and hi-tech, with the value of total bilateral trade surging 20% in the last six years, according to official data. At least some of this surge, experts admit, has come at the cost of local industry. Chinese firms have ploughed huge investments into some of the country’s most iconic tech brands, such as the ride-hailing service Ola, a fintech company Paytm, food-delivery app Zomato and e-commerce platform Flipkart. How large are Chinese investments in India and what do the two countries trade in? Mapping these two variables shows bilateral trade clocked an average double-digit growth in the last three years, and much of it to China’s advantage.



According to data from the commerce ministry, India's bilateral trade with China was worth nearly \$80 billion in 2019. Data posted on India's Beijing embassy website, which it sourced to China's customs department, showed total bilateral trade between Jan and Nov 2019 at \$84.3 billion, a drop of nearly 3.2% from the previous year's \$ 95.7 billion. China is India's largest trading partner, but the latter runs a large trade deficit. This means India buys far more goods from China, in value terms, than it sells to that country. Imports from China account for an average 16% of India's total. On the other hand, in India's total exports, China's share is just 3.2%. So, to be sure, the trade imbalance is substantial and works to India's disadvantage.



Despite this, analysts say stakes for China are high in India's technology sector. In 2019-20, Chinese tech firms invested in India the most, according to data from FDI Intelligence, a global investment advisory firm owned by The Financial Times Ltd. In 2019, there were "19 inbound projects, which is more than double the eight projects invested in Russia, the second-highest destination for investment", according to an April 22 report published by FDI Intelligence. Two-thirds of Indian unicorns -- a label for start-ups valued at \$1 billion -- have Chinese investment, according to data from the think-tank Gateway House. In 2018, Alibaba invested \$216m in online grocer BigBasket. It also invested \$210m in food delivery app Zomato. Tencent has \$400 million riding on ride-hailing app Ola, besides \$700 million in e-commerce platform Flipkart, an investment made in April 2017. This investment set a record of being the highest foreign investment picked up by an India-based tech firm. Alibaba is a large investor also in Paytm, while Tencent has invested in Byju's, an education start-up.

India exports mostly a basket of primary goods to China, including cotton, yarn, organic chemicals, ores, natural pearls, precious stones, and fabrics. Chinese imports into India include electric machinery, electronic equipment, nuclear reactors, boilers, solar energy components and APIs (active pharmaceutical ingredients), the backbone of India's pharma industry. Nataraj said a "trust deficit" between the two countries was apparent, referring to Indian commerce ministry's tightening of foreign investment rules in April. The new rules say any business from a country "which shares land border with India" will need the government's nod before investing in an Indian firm. According to Dhar, going forward, India will likely reduce overdependence on any one country, including China. "Of most sectors, the health sector's heavy dependence on Chinese active pharmaceutical ingredients is most crucial. Nearly 90% of our critical therapeutic is import-dependent. One solution is to ramp up our public pharma sector's capacity," he said.

India's Maruti lures buyers with sweet deals

NINAD D SHETH, Nikkei Asian Review, 18 June 2020

NEW DELHI: India's largest automaker, Maruti Suzuki India, is rolling out a series of new sales strategies to counter the damage caused by the coronavirus pandemic. Although the sales are recovering at a snail's pace, the company has been quick to set a new normal for India's auto industry, poised to keep its edge in the upcoming competition. Things have been limping back to normal since the company reopened its operations in a staggered manner with its production at its three plants in Gurgaon and Manesar near New Delhi and in the western state of Gujarat, starting in May. Maruti posted total domestic sales of 13,865 units in May, down 89% from a year earlier.

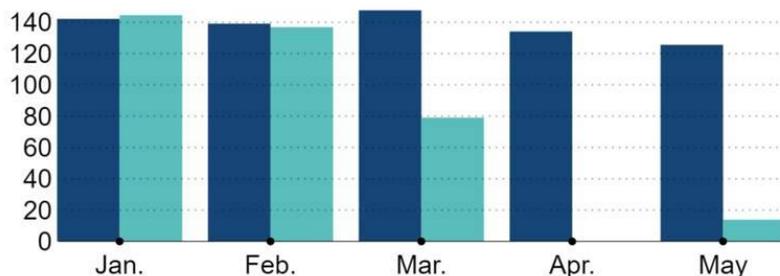


Maruti is tackling the coronavirus slowdown with new loan options, including a "buy now, pay later" deal and other financial plans that allow customers to pay more flexibly. The company has also moved swiftly to establish hygiene and safety standards for luring back customers. Maruti announced on June 9 that it would introduce a new car financing plan with Mahindra Finance, a nonbank financial company with 1,450 branches across India. Both companies will allow customers to choose the option of a two-month moratorium on loan payments to help them manage their cash flows.

Maruti Suzuki's domestic car sales

(In thousands of units)

■ 2019 ■ 2020



Source: Company disclosure

The partnership with Mahindra Finance is the latest move by the automaker to boost car sales after forging a series of tie-ups with another major nonbank company Chola Mandalam Investment and Finance, major private banks ICICI Bank and HDFC Bank. Following Mahindra Finance, Maruti also announced an auto loan partnership with Indusind Bank and Karur Vysya Bank. The coronavirus, which has so far infected more than 350,000 people and

killed nearly 12,000 in India, has dealt a major blow to Maruti, which has in recent years maintained a 40% share in India's auto market, the world's fifth-largest in terms of sales volume in 2019. The impact of the lockdown on sales was absolute, as during that period for the first time in its history, the company dispatched zero cars to its dealers in April.

India is already the fourth-most affected country in the world, behind the U.S., Brazil, and Russia, with the virus showing no signs of slowing. The government has begun easing the nationwide lockdown, but it will likely take time for auto sales to normalize, forcing automakers to restart operations despite the ongoing contagion. Prior to the financial promotion, Maruti announced stricter hygiene controls at its over 3,000 showrooms and workshops. Dealerships will carry out complete sterilizations of test-drive cars before lending them to customers to ensure maximum safety. The company now offers doorstep delivery of cars by staff, who wear face masks and carry sanitizers. At workshops across the country, the health of over 80,000 staff will be monitored through a dedicated app to reduce the risk of transmitting the virus to customers. In addition to these measures, Maruti earlier this month launched a health and hygiene range of car accessories to meet the customer demand for safety, hygiene, and sanitization. The nine items include masks, goggles, shoe covers, gloves, and face shields. Car cabin partitions, made of transparent polyvinyl chloride material, that divides the front and rear space of the car was also launched. The competitors are also rolling out new sales strategies for a post-pandemic world.

South Korea's Hyundai Motor, the second-largest brand in India, has resumed operations at its Chennai plant in May and introduced the Hyundai Equated Monthly Instalment (EMI) Assurance program, in which the company will pay up to three monthly instalments to customers who lost their jobs in the private sector. The program will "give new Hyundai owners working in private organizations full peace of mind during these times and create positive and confident sentiments for Hyundai car purchase," Tarun Garg, director at Hyundai Motor India, said in a statement. Local auto major Tata Motors has launched a dedicated online car sales platform called 'Click to Drive,' which is integrated with all Tata Motor dealers from more than 750 outlets in India. It offers an app-based option for choosing a car and promises home delivery.

Focus

Distressing apathy of the urban middle-class

SATYAKI DASGUPTA & ANNESHA MUKHERJEE, The Statesman, 17 June 2020

NEW DELHI: The recent pandemic has magnified the indifference of a certain section of population in India towards the plight of its vulnerable masses. Their insensitivity is not a sentiment exclusive to the pandemic but a by-product of the attempt at a systematic creation of such a class of people. Capitalism took centre stage with implementation of neo-liberal policies in the Indian economy post 1980. They ushered in a wave of changes on the lines of liberalisation, privatization, and globalization. A new societal class was created, often referred to as the new urban middle class. This class of people comprises the English-speaking, conventionally skilled, upper caste section of the population. Such qualities made them employable at a cheaper rate in the booming service sector at that time, egged on by the global expansion of foreign capital. They spun themselves into a cocoon of formal employment, steady income and benefits, and their associated privileges. With the advent of increasing number of service sector firms since 1991, this class of people seized the opportunity to increase their disposable income and accumulate sufficient savings, gaining them significant upward mobility on the social and economic ladder. Such achievements were attributed to their skills accumulated by dint of what was dubbed as 'merit.' Desperate to hold on to their accumulated social, cultural, and economic capital, prime importance was accorded to a distorted version of merit and its associated individual successes. As a result, their subsequent generations inculcated this prioritization of self-mobility.



Thus, though individualism was not in itself a new phenomenon, it had a renewed and stronger influence among the newly created urban middle class. The nature of capitalism is such that it produces a variety of ostentatious goods. With marketing strategies, these in turn evolve to signify social stature and standing. The newly created urban middle class served as an ideal consumer base for such goods. Concurrently, the country has seen a rise in its inequality figures since the 1990s. However, the individualistically driven minds of the urban middle class were shrouded by consumeristic desires and their apparent strive to achieve self-mobility. Such tendencies translated into an apathy towards the ever-widening chasm of inequality that continues to ravage the country. Caught up in their self-set targets, they consciously turned a blind eye to any kind of social crisis if it did not affect them directly. Hence, their political passiveness ensured the maintenance of the societal gap. A case in point is the current scenario of the lockdown due to the pandemic. Mainstream media is flooded with grotesque pictures depicting deplorable and helpless conditions of people belonging to the lowest strata of society. There is a sharp contrast in the way the lockdown affected the two classes of the same society. People of the lowest strata are at the mercy of NGOs even for one meal a day. Meanwhile, the elites are busy honing their culinary skills and seeking appreciation on social media.

The big capitalists have stepped in as saviours to placate the collective pining of this class of people. One such instance is the conveyance of essentials along with few popular brands of fast food being served by food-delivery platforms to their doorstep. This setup seems to work well for both the elite consumers who are served in the comfort of their homes, and the big capitalists who are making the most out of this crucial situation to serve their own interests. Ignoring the larger social context, the elites are content with pompous display of solidarity by banging utensils and lighting lamps. Such incidences reveal the structurally created and nurtured indifference of this class. While ignoring class

differences, the elite section desperately safeguards its caste and religious privileges as evidenced from the incidences of racism which have come to the fore. Hatred towards certain minority communities has resurfaced. A New Delhi based organization, Rights and Risk Analysis Group (RARG), has brought out a report which documents 22 cases of hate and discrimination against 'India's Mongoloid looking people' between February 27 and March 25 this year. The bigotry against certain religious minorities has become even more blatant in the past one year. Conspiracy theories linking the spread of the coronavirus as an Islamic agenda have been doing the rounds. Such beliefs are further bolstered by jingoistic media houses. When reality becomes too gruesome to tolerate, apathy of the urban middle class takes a backseat. To ameliorate their prick of conscience, they resort to donations.

The elites choose to limit their responsibilities to philanthropy. This exonerates them from acknowledging questions raised regarding the very existence of the cause of donation. It must be mentioned that the very concept of charity work is an intended product of capitalism. It assumes a pre-existing condition of sympathy-laden superiority of the haves towards the have-nots. An individual representative of the elite class is the 'ideal being' in mainstream economic theories. The oft celebrated economic models which lead to policy-making decisions assume self-centred, rational, individual utility maximizing agents. However, continuing importance accorded to individualism fails to address the prevailing deep-rooted issues which plague our society. To quote Jean Dréze, "If we want humanity to survive, we need to go beyond self-interest and foster different kinds of values and social norms... Nonetheless, through education, democratic engagement, and social movements, you can still develop different ways of thinking and behaviour, and we must do this somehow. Otherwise, we are doomed."

The most troubling China-India conflict is economic

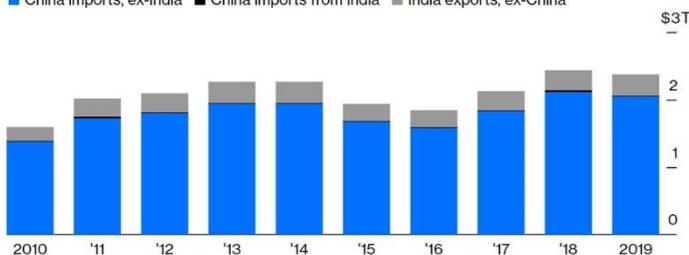
DAVID FICKLING, Bloomberg, 18 June 2020

NEW DELHI: What is worse than two populous, nuclear-armed countries killing each other's soldiers? Two populous, nuclear-armed countries letting their longer-term relationship wither. Fighting along the Chinese Indian border on the Tibetan plateau has not come out of the blue. Ties, never solid, are increasingly becoming a casualty of the way New Delhi is being drawn into the wider rivalry between Beijing and Washington. If trade and investment suffer as a result, the deteriorating relationship could lead to problems decades down the line. Economic nationalism is on the rise in India – and China looks to be the most visible loser.

Out of Balance

China's imports from India are barely visible as a share of the total

■ China imports, ex-India ■ China imports from India ■ India exports, ex-China



Source: International Trade Centre

Last year, the U.S. overtook China to become India's largest trading partner. That could be a moment as significant as when the U.S. moved ahead of Japan to become China's biggest partner, in 2004. In April, New Delhi tightened its foreign investment laws, a move widely interpreted as aimed at Beijing. It's looking at restricting share-based investments from China too, according to the Economic Times. In November, India decided to walk

away from the Regional Comprehensive Economic Partnership, a trade bloc backed by Beijing that will bind China to other major Asian economies. Despite the total value of India's exports growing by nearly half between 2010 and 2019, the sum going to China shrank 14% over the period, deepening a trade

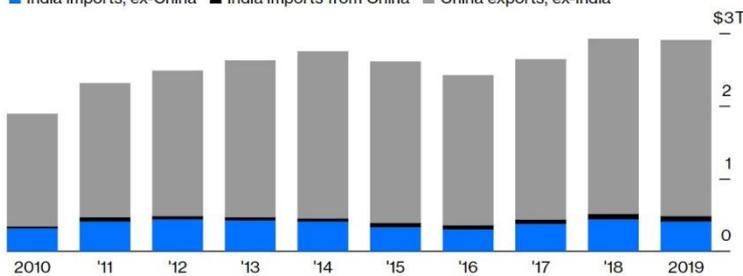
deficit that is fuelling India's nationalistic turn. All this is concerning because trade relations can act as an important restraint on conflict. The immediate economic loss that would result from war with a major trading partner is one factor that can stop skirmishes from deteriorating into major battles.

One study of late 20th century conflicts by economists at Sorbonne University in 2008 found that while openness to trade doesn't automatically prevent war, there's a greater risk of conflict when countries grow less economically dependent on each other, as appears to now be happening with China and India. Paradoxically, that means globalization can make matters worse: Countries that become more integrated with the world economy are more able to endure the loss of commerce with a single nearby rival. It is most obvious in two of Asia's most worrying military flashpoints. Trade between North Korea and South Korea approximates to zero, so it's hardly surprising that the demilitarized zone between them is the other spot in the region that's teetering on the brink of war. At the time of independence in the late 1940s, India took nearly a quarter of Pakistan's exports, which in turn bought about half of its imports from India. That trade rapidly evaporated through the 1950s, until war in 1965 closed off commerce altogether for nearly a decade. Relations never recovered. Just 1.8% of Pakistan's exports went to its eastern neighbour in 2018. India counts Nigeria, Belgium, and Mexico as bigger export partners than the country with which it shares a 3,300-kilometer (2,000-mile) border.

One-Way Street

India's importance as an export market for China is dwindling

■ India imports, ex-China ■ India imports from China ■ China exports, ex-India



Source: International Trade Centre

There is no overarching reason for China and India to be rivals. Each has its own distinct regional sphere of influence, and a history of staying on the side-lines of grand strategic fights. The extent to which India is increasingly being drawn into Washington's orbit these days is in many ways a response to its nervousness about the rise of a more aggressive China. A better policy would be for Beijing to recognize how its Belt and

Road projects in Pakistan, Sri Lanka, Bangladesh and Myanmar have left India feeling encircled, quite like NATO's expansion into eastern Europe in the 1990s fostered lasting enmity in Russia. China's big infrastructure investments haven't performed well on their own terms in any case, leaving the subcontinent's smaller countries saddled with debts and, in many cases, a legacy of pollution. India itself would be a far better destination for Chinese outbound capital. China should recognize how much it will benefit from India's development; just as richer countries gained from its own increasing wealth. That should mean opening its domestic market to key Indian exports such as IT. Making the approval process for Indian generic pharmaceuticals easier, too, would help to lower China's sky-high drug prices. New rules were introduced on this front last year, but it is not clear they will succeed: China's trifling pharmaceutical imports from India declined in 2019.

India would do well to apply its new foreign investment rules sparingly. While there's justifiable wariness about the involvement of state-owned Chinese companies in critical infrastructure, the investments that the likes of Alibaba Group Holding Ltd. and Tencent Holdings Ltd. have made in India's burgeoning e-commerce sector should be welcomed. This is especially true at a time that Covid-19 is likely to amplify long-standing problems attracting overseas capital. Amid the sugar-rush of nationalism brought on by military hostilities, there's little sign right now that cooler heads will prevail. Still, a previous 2017 confrontation in the Himalaya didn't reverse the busy diplomatic relationship between the two countries. In smoothing over the current conflict, India and China must further deepen their economic and social links — otherwise the next fight will be still more serious.

At public expense

The Tribune, 17 June 2020



NEW DELHI: Crude oil rates had hit rock bottom recently, yet petrol and diesel prices are at a 21-month high after being increased for the 10th consecutive day — a cumulative hike of Rs 5.47 and Rs 5.80, respectively. While infusion of liquidity to incentivise spending after the back-breaking lockdown months is the mantra being chanted by experts, subjecting the population to an oppressive additional burden instead confounds logic. Congress president Sonia Gandhi has called for a rollback, terming the federal

government's decision 'wholly insensitive', coming as it does during the coronavirus pandemic. That seems out of the question, much like any forthright answer on what has necessitated this continuous daily uptick.

Around 70 per cent of the retail price of fuel comprises taxes. Oil firms resumed the daily revision of prices on June 7 following an 82-day break during the lockdown when retail rates were left untouched. The freeze was imposed in mid-March soon after the government effected a considerable hike in excise duty on petrol and diesel to shore up its finances. The impact of the hike was not passed on to consumers, but they did not benefit from the record fall in crude oil prices either. Several state governments, including Punjab, have now hiked cess on fuel to fill empty coffers. The user is again at the receiving end, and oil marketing companies have little to gain.

Oil price decontrol is a curious instrument in India. When global prices go up, the increase is passed on to consumers. When they go down, taxes and levies are imposed. The only gainer is the government. Aviation turbine fuel (ATF) is a case in point. ATF prices were consistently reduced when no airline was operating passenger flights because of the restrictions. Just days after commercial flights were allowed in May-end, a 56 per cent increase was announced. Gaining at public expense is a rather uncomfortable tag, but this does not seem to bother the federal and state governments much.

The futile search for rationale in the act of suicide

BHAVDEEP KANG, The Free Press Journal, 18 June 2020

NEW DELHI: Suicide is a paradox. An act where the victim and perpetrator are one and the same, where an organism hardwired for self-preservation chooses to self-destruct. An act which evokes paradoxical feelings of empathy and alienation. Empathy, because deep down we are all capable of self-harm, and alienation, because it defies our most fundamental evolutionary instinct, to survive. The solitary nature of the act, in a species designed for social behaviour, makes it still more disturbing. We search obsessively for rationalisation. In the absence of closure in the form of an explanatory suicide note, we look for triggers: a former lover, a sadistic employer, a band of cyber-bullies, or a demanding family; financial ruin, public humiliation, ill-health or an altruistic motive. Sometimes, our survivor's guilt and anger at the pointless waste of a life is misdirected and we lapse into scapegoating.



The tragic death of actor Sushant Singh Rajput has opened the floodgates to recriminations. Bollywood's power elite has been castigated on social media for allegedly ill-treating the young actor

and sabotaging his career. The outsider versus the establishment narrative has caught the imagination of the Twitterati, prompting certain members of the Bollywood aristocracy to hit back. Assigning blame is a desperate effort to make sense of a senseless act but is itself illogical. Every profession has its bullies and exclusive clubs that make outsiders feel unwelcome. Why should the entertainment industry be any different?



Which brings us to the question of being “strong enough” to withstand the slings and arrows of an unkind world. The suicide victim is characterised as “weak”. The premium on strength is ritualised in various ways. In certain communities, running the gauntlet of physical or verbal abuse is a rite of passage. Witness the hazing that newcomers in college go through before they are accepted as members of the student body. Sadistic ragging has claimed more lives than we care to acknowledge and to describe the victims as weak is to add insult to injury.

Depression does not discriminate between the weak and the strong. It knows no boundaries of age, class, gender, or education. It could be induced by psychological or physiological (as appears to have been the case with Sushant Singh) factors and aggravated by stress, which in turn may be caused by any number of things: professional setbacks, social isolation, etc. It is hard to determine how a melancholic train of thought is set in motion and where it leads. Depression is a condition with potentially serious outcomes, like diabetes or heart disease. Precautionary measures and/or medication are just as necessary. To treat it as a form of self-indulgence or weakness is like a heart patient shutting out the necessity of exercise and a controlled diet. Sadly, the cultural emphasis on mental strength may prevent the victim from reaching out for help when they need it most.

Family, friends, spiritual advisors, and mental wellness professionals can play a critical role in keeping depressed individuals from falling off the precipice. Everybody needs someone to reach out to at any time, for any reason. The “3 am friend” is a necessary feature of the modern urban family, a tribal unit not necessarily related by blood. But no matter how strong the support structures are, they may not always succeed. It is all too easy to confuse self-pity with depression and tell our friends to “get a grip” or “snap out of it”, thereby aggravating the problem. Every 40 seconds, someone, somewhere in the world, commits suicide. More lives are lost to suicide every year than a whole decade of war and terrorism. Our response to news of suicide is visceral, particularly when the victim is an apparently healthy and successful youngster. It seems irrational, inexplicable, illogical. We are wired to look for meaning, because without it, there is only chaos. So, we try to solve the unsolvable. But some questions do not have answers and all we can do is to try and ensure it does not happen to someone we know.

