

RBI RATE HIKE

- With inflation remaining at 'elevated levels', the Monetary Policy Committee (MPC) of the Reserve Bank of India unanimously decided to raise the policy repo rate by 50 basis points (bps) to 5.4%.
- "Inflation is projected to remain above the upper tolerance level of 6% through the first three quarters of 2022-23, entailing the risk of destabilizing inflation expectations and triggering second-round effects,
- RBI Governor Shaktikanta Das on Friday said banks could not perennially rely on the central bank's money to support credit off-take and needed to mobilise more deposits to aid credit growth.

What is credit offtake?

- The growth of the banking industry is closely interlinked with the growth in the economy. The slowdown in economy in the past few years meant lower credit offtake. With lower demand for credit, banks had no option but to invest in low yielding Government securities.
- However with the recent recovery in economy the credit offtake is likely to pick-up and pick-up in credit offtake means deploying funds to the

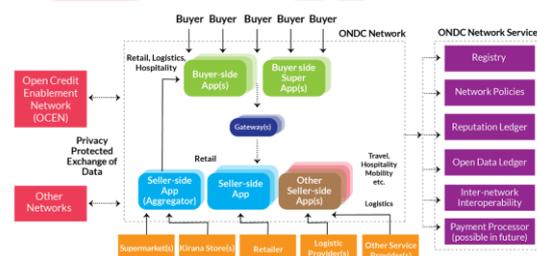
commercial sector and earning a higher return than G-sec. Recovery in the select sectors, like steel, textile and capital goods which have high credit consumption, has led to pick-up in credit offtake. This clearly means a good topline growth for the banks.

THE HINDU

LESSON FROM TAIWAN

- A small island of 23 million people has decided to stand up to one of the strongest military and economic powers on the planet, braving existential consequences.
- India is a far more powerful nation armed with nuclear weapons and with a 1.4 million standing military against whom China has only marginal territorial claims
- And yet, India continues to be hesitant about calling China's bluff.
- China today is a revisionist power, challenging the regional order; is intent on using force to meet its strategic objectives, and is desirous of reshaping the regional balance of power to suit its interests.
- With such a power, appeasement might work in the short term, but will invariably backfire over the long term.

- First, India's policy of meeting/hosting Chinese leaders while the Chinese People's Liberation Army (PLA) continue(d) to violate established territorial norms on the LAC is a deeply flawed one
- The second mistake is unilaterally catering to Chinese sensitivities even during the standoffs between the two militaries.
- The third mistake was the soft peddling of the Quad (Australia, Japan, India and the United States) when China objected to it
- It is often argued that the growing economic and trading relationship between India and China is reason enough to ensure that tensions between the two sides do not escalate and that the two sides must find ways of co-existing peacefully.
- The ONDC network makes it possible for products and services from all participating e-commerce platforms to be displayed in search results across all network apps.
- For instance, a consumer shopping for a product on an e-commerce app named "X" would also receive results from e-commerce app named "Y", if both X and Y integrated their platforms with the ONDC.
- This achieves the dual objective of wider choice for consumers on the one hand and access to a wider consumer base for sellers on the other.



THE HINDU

ONDC

- The Department for Promotion of Industry and Internal Trade (DPIIT) of the Government of India established the Open Network for Digital Commerce (ONDC) to level the playing field by developing open e-commerce and enabling access to small businesses and dealers.
 - With India's e-commerce industry set to reach \$200 billion by 2027, this shift from a platform-centric paradigm to democratisation of the nation's online market will catalyse the inclusion of millions of small business owners and kirana businesses.
- Steps needed**
- Disputes will be the obvious by-product of this e-commerce revolution. Therefore, it is imperative to support this initiative

with a modern-day, cost-effective, timely and high-speed dispute resolution system

- Online Dispute Resolution, or ODR as it is popularly called, has the propensity to work alongside the incumbent setup and deliver quick, affordable and enforceable outcomes.
- The ODR will help mitigate litigation risk and provide valuable insights into problems faced by consumers. The courts and consumer forums can do away with matters which do not warrant their intervention, thus easing the judicial logjam.
- Consumers are provided with another choice for effective redress of their grievances, thereby building trust, confidence and brand loyalty.

THE HINDU
