

News Wrap

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In a recent report, prepared by the European Union's competition commissioner, and published with the European Commission's recommendations for energy policy, the chief impediments to competition have been identified as the vertically integrated electricity giants and energy groups, who control energy generation, transmission and distribution. Besides being high, the energy prices vary as much as 100%, amongst the member states. Dependence on imported energy of EU countries, is expected to increase from 50% to 65% of total consumption in 2030. Carbon-dioxide (CO₂) emissions rise by about 5% before 2030. Access to essential market information is blocked by vertically integrated companies like Electricite' de France or German EON. The Commission wants EU money to be utilized for building interconnecting pipelines and power lines, such as electricity hook-ups between Germany, Poland and Lithuania; and between France and Spain. Short oil wars between Russia and Ukraine, and Russia and Belarus could be ignored with the construction of the new Nabucco pipeline, which is planned to connect Europe with the gas strata in the Middle East, Caucasus and Central Asia, via the Balkans and Turkey. The commission is also supporting fuel efficient vehicles, expansion of emissions trading, the use of public transport and low energy construction. The share of renewable energy in member states' overall energy mix is also being raised from 12% to 20% by 2020.

In China, the decision to adopt international accounting standards was taken in November 05. The Ministry of Finance in China has ordered at the beginning of 2007, that the 1200 companies listed on the Shenden and Shanghai stockmarkets adopt norms similar to International Financial Reporting standards. The accounts prepared by a 39-principle-based standards structure will evaluate the economic value of a firm, by utilizing market prices, wherever possible. The efficiency of Chinese companies would rise, on grasping a firm's revenues, costs and debts. The changes would facilitate attracting foreign capital and investing abroad. Distortions in price indicators and company balance sheets will be reduced, along with a decline in demand for state planners. Capitalist countriss look forward to transparency creating better cconomic management, and also a "freer society". The shortage of experienced accountants, lack of wide financial markets, and discouragement to dissent and complaints may hinder highlighting of problems, including fraud, in Chinese companies.

While land is a state subject, and land in India is being acquired by the state governments under the Land Acquisition Act of 1894, the Special Economic Zone policy is being controlled by the Union Government. Rccently while 237 SEZs have been approved, spread over various regions, neither the State Governments nor the Union Government have any data, regarding the number of farmers linkely to be displaced from fertile lands, and the amout of fertile land being sacrificed for the SEZs. There is no information on the percentage of one crop,

two crops agricultural land allocated for the economic zones. A land size of 34, 510 hectares has been allocated for the 237 SEZs. The approved SEZs include leading business houses, like Tatas, Wipro, DLF and Indiabulls. The tax holidays would accumulate a revenue loss exceeding Rs 1,00,000 crores by 2009-10. But the union commerce ministry estimates that investments by SEZ developers will soar over Rs 3,00,000 crores.

While clashes and fatal casualties continue in Nandigram (West Bengal) over land acquisition of 20,000 acres for two SEZs, under Salim Group of Indonesia; farmers have been agitating against land acquisition in Punjab, Haryana, Maharashtra and Andhra Pradesh.

About a hundred brick-kiln workers, barbers, milk sellers and other labourers were killed by the United Liberation Front of Asom (ULFA) during 2003. A fresh wave of shootings in January 06, resulted in over seventy labourers, from Bihar, Uttar Pradesh and West Bengal, dying in Assam. Spates of bomb blasts and shootings by the ULFA in Guwahati and other towns have left scores dead and injured. The six weeks truce between the security forces and the ULFA allowed the insurgents to surface from hiding, re-group, re-locate and conceal weapons at favoured spots for appropriate strikes. The ULFA had called off a boycott of the 33rd national games, in Guwahati, without the name of the games, being changed to Asom Krira Mahatsav. The ULFA has been angered by the results of an opinion poll, conducted by Assam Public Works, an NGO, which revealed that 95.53% of the people were against the creation of a sovereign Assam. The renewed slayings are a pressure tactic against the Union Government to release top ULFA leaders, and to return to talks, on the terms of the ULFA.

As a result of the recent killings, thousands of Hindi-speaking Biharis have fled Assam. A 24-hour curfew was imposed, by over 3000 troops, in the remote, hilly districts where the fatal casualties took place. Support for the ULFA arises from poor development, in spite of oil fields and tea plantations, in one of India's most poverty afflicted states. This support has declined due to ULFA's strategy of extortion, murder and sanctuary in Bangladesh.

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