

# NEWS WRAP

AGD

Vietnam's inflation rate has risen to 14.1%, the highest over the last twelve years. The country's central bank has increased various official interest rates by 1.5%. Compared to an average annual growth of 7.5% over the previous decade, Vietnam's economy grew by 8.5% in 2007. The prolonged boom has caused bank lending to expand rapidly, by 37% in 2007. Similar to other Asian countries, Vietnam is facing rising cost of living and cost of fuels. Food prices rose by 22% in 2007. There has been a spate of strikes, and worries that food might become scarcer. After joining the World Trade Organization in 2007, Vietnam has been liberalizing its economy. The Vietnamese government is busy privatizing the economy, allowing freedom from the official controlled prices, set at present by state firms. There are also plans to permit the market, fix the price of fuels.

The IMF is worried that public spending on road construction and power stations is increasing inflationary pressures. It wants the government to save from the increased receipts from recent tax reforms. Contrastingly, the World Bank wants Vietnam to spend more on infrastructure projects for continued growth, and to avoid electricity black-outs, in the face of huge demands. The minimum wages for government officials has risen by 20% in January 08, which may help reduce corrupt amongst public servants, but would add to inflation. The Vietnamese currency, the *dong*, is on a strong upward ascent, following increased inflows of foreign direct investment and speculative money. The *dong* has been given a permissible fluctuating rate of 0.75%, of a central rate, refixed daily, while a strong *dong* could reduce inflation, officials, farmers and manufacturers feel that it could adversely affect exports. Vietnam has large earnings from exports, specially of farm products. Domestic demand in Vietnam, accelerates economic growth.

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On behalf of the national government, Australia's prime minister, Kevin Rudd has apologized to Australia's indigenous people, for injustices experienced in the past, under European settlements. Aborigines had lived in Australia, for thousands of years, before the British claim in 1788. They now comprise about 2% of Australia's population. The apologies apply to the "stolen generation" of mixed race people, who were removed by the authorities from their families, when they were children; and placed in foster homes, many of which were run by churches. Between one tenth and one third of aboriginal children were forcibly grabbed away, between 1910 to 1970, when the policy was abandoned. They number about 55,000 and some claiming physical and sexual abuse. The removals were inspired by welfare, but more critically by race. Forcible removal from families and loss of traditional lands have led to poor health and high prison-custody cases among aborigines. There exists a seventeen year gap in life expectancy, between indigenous aborigines and other Australians.

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The Israel-Egypt border is 255 km long, without fences in many spots, and exposed to infiltrators. The Islamist movement of Hamas, controls the Gaza Strip. Israeli suspension of fuel deliveries led to extensive power cuts in the Gaza

Strip. In the second fortnight of January 08, there was a sudden breach in Gaza-Egypt border by Hamas. The border walls were broken down, permitting thousands of Palestinians to rush into the neighbouring Egyptian towns of Rafah and el-Arish, for stock piling goods from Egyptian shops and hawkers. Bags of cement, mattresses, Japanese scooters, goats, cows, chicken, flour, liquid detergents and soaps, fuel cans and chairs were carried on human backs, trucks, and donkey carts. Young and old men and women rushed over ladders and ditches to enter the Egyptian towns.

Within a week, Hamas militants were assisting Egyptian troops to restore the barbed wires. Hamas has proved that its isolation in Gaza cannot be indefinite, and it has the powers to obstruct. It wants a more active role in supervision of the crossing, particularly at Rafah. Egypt has summoned a Hamas Team, led by Mahmoud Zahhar to Cairo, for talks with Fatah, in forming a New arrangement to make the border more secure. Isreal is aware that eliminating Hamas' militia would take months.

UN reports point to Gaza's power supplies functioning at 75% of normal, causing long power cuts and scarce running water. About 30 million litres of sweage daily are being thrown near the breaches, which form Gaza's few natural resources. Basic food, like flour and sugar is not entering Gaza, adequately. Garbage is littered on the streets.



The Indian Air Forces' Russian supplied MI-24 & MI-25 suffer from flight ceiling problems, since these helicopters cannot fly beyond 9000 feet, and can be operated only in day-time. The IAF plans to induct two more squadrons of attack gunships and a squadron of heavy lift helicopters, capable of operating in high altitude areas of Siachen, Jammu and Kashmir and North East. Earlier the union government had cancelled the purchase of 197 helicopters for the army, due to discrepancies. Now the army would be shortly acquiring 317 multi-role light helicopters. □□