

NEWS WRAP

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The Failure to develop new industries to replace mining and manufacturing in Britain, has resulted in an increased reliance of the workforce on the British state. A generation of boroughs has developed, where half the population is dependent on the state for work, consequent to the growth of public spending under Labour. There are ten areas covering castle Morpeth, Wansbeck, Durham, Cambridge, Hastings, Oxford, Torfaen, Ceredigion, Stafford, and Inverclyde, where more than 40% of the workforce is employed in the public sector. The Centre for Economics and Business Research, Whitehall has located agencies in Britain's north-east to reduce unemployment, caused by the decline of manufacturing and mining. In towns like castle Morpeth, Northumberland, competitiveness has fallen, and the private sector has become a minor segment of the local economy. While the farmer still produces wheat and cattle, there is a vast segment of the population, who produce absolutely nothing. 1.3 million jobs were created in Britain's north east, extending to sectors like health, education and public administration from 1998 to 2006, which helped conceal the loss of 1.1 million manufacturing jobs.

Ellington colliery, once one of the highest employers, when it closed in 2005 witnessed employment in mining fall to 316, from 861 of 1998. The number of jobs in manufacturing fell by 42% to 704. In contrast to the decline of industry, public sector employment figures in Britain's northeast has increased from 8,898 in 1998 to 13,629 currently. The area's private sector is outweighed by the number of workers in local authorities, the police service, hospitals, universities, schools and courts. State dependency of the workforce may be higher, if one takes into account those reliant on state benefits.

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Lawlessness, hunger, disease and economic collapse define daily life in Zimbabwe. Mary Austen, a 74-year-old Briton housewife was murdered on her farm near Kwekwe in central Zimbabwe, and her husband left in a critical condition, after an "extremely violent" attack. The Southern Africa Development Community (SADC) Tribunal, a body with powers greater than the local courts, has recently ruled that the government had racially discriminated against Michael Campbell, a white Zimbabwean farmer, denied him legal redress, and prevented him from defending his farm. 9000 cases of cholera have been reported by the United Nations. Ordinary Zimbabweans can no longer secure food or basic medical attention. As police try to grab their share of the spoils, law enforcement is breaking down. Since small scale farmers cannot afford seed or fertilizer, large parts of Zimbabwe will be deprived of maize planting but maize planting should have been completed by mid-December.

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Presently Russia is providing technical assistance to construct two nuclear reactors at Kudankulam in Tamil Nadu. There is less doubt on continued nuclear fuel supply by Russia to India, as Russia has earlier helped supply a different type of fuel, for the Tarapore plants. As per recent agreements between the Russian president Dmitry Medvedev and the Indian prime minister Manmohan Singh, Russia will be constructing four more nuclear reactors at Kudankulam. There is also a possibility of Russia constructing ten new nuclear reactors near India's eastern coast. All future nuclear contracts with Russia will include guaranteed life-time nuclear fuel supplies.

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Senior Chattisgarh Congress leader, Mahendra Karma had led the locals of south Bastar in launching an anti-Naxalite movement, 'Salwa Judum' since June 2005. The left extremist movement had reportedly caused bloodshed for over three decades. With the BJP also backing the movement, the Salwa Judum cadres, armed with weapons, had fanned out to the remote villages of Bastar region, to 'flush out' the Naxals. But there have been controversies and criticism over 'Salwa Judum'. Sandwiched between pro and anti-Maoist forces, Mahendra Karma has lost the assembly electoral battle in his home constituency in Dantewada. Bhima Mandavi of the BJP won the Dantewada -ST seat by a margin of 12,008 votes, over his nearest rival, Manish Kunjam of CPI; and Karma ending up third. The BJP candidate also won the Bijapur-ST assembly from the pro-Salwa Judum Congress candidate. An opponent of the present form of anti-Naxalite campaign, Congress legislator Kawasi Lakma managed to retain his Konta-ST assembly seat, by a narrow margin.

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One of the hardest hit in the current economic slowdown is the real estate sector. Foregoing potential tax gains, six major SEZs viz Hyderabad Gems SEZ Ltd, Reliance Industries Navi Mumbai IT SEZ, L and T Phoenix Info Parks, Maharashtra Industrial Development Corporation's (MIDC) Agro SEZ, Vikas Telecom

SEZ and Dahej SEZ, have reduced the size of their projects. The union commerce ministry has denotified parts of their tax-free enclaves for better viability. The de-notification of DLF's IT SEZ near Delhi has also been approved by the government. The developers calculated that it would be better to surrender their plots now, and improve the projects' financial viability, instead of holding on to the plots for earning future tax breaks. The real estate companies had considered the SEZ projects as beacons of their property enterprises.

If the Maharashtra Airport Development Corporation fails to persuade the union commerce ministry to permit them to use the rail and cargo operations in the non-processing area of the SEZ in Nagpur, they would pursue de-notification of 361 hectares from the 1578 acre multi-product SEZ in Maharashtra. L and T Phoenix Info parks wish to denotify two hectares in their Vijaywada SEZ, and use that space for constructing housing or commercial complex.

The minimum area for an IT SEZ is 10 hectares, while it is 100 hectares for a sector-specific SEZ and 1000 hectares for a multi-product SEZ. After fulfilling the minimum area requirement for SEZ, the companies have opted for de-notification. The recent \$8 billion fiscal and monetary stimulus from the Union government and rise in foreign institutional investors' net inflows in the Indian equity, markets are expected to spur industrial growth. □