

NEWS WRAP

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Borneo island is full of rain forests, rare animals and plants. There are now plans for Chinese engineers to build twelve dams that would cut through virgin land and displace thousands of native Dayak population. The Malaysian state of Sarawak government maintains that the dams are the primary stage of a corridor of renewal energy, expected to create 1.5 million jobs through industries powered by safe, clean hydro-electricity. This project would further devastate Borneo's peoples and land, who are already suffering from the ruins of previous dam projects and the felling of forests. To meet the world's demand for biofuels, millions of acres of trees have been levelled for oil palm plantations. Murum is deep in the interior, from where Sarawak's great rivers roll towards the South China Sea. Now engineering teams from the China Three Gorges Project corporations, notorious for corruption, are working on the first of the twelve new dams at Murum. Tibals have been ordered off their ancestral lands, and Chinese signs are posted all over the project site.

As estimated 10,000 indigenous people have been displaced by the Bakun dam, which is due for completion by 2011. There are bitter legal battles about cost overrun. Since Sarawak produces 20% surplus electricity, there is no need for more electricity. Till date there is no cable to deliver power to peninsular Malaysia. Armed with eviction orders, the dam builders are impressing on the local Dayaks that their presence might contaminate the new barrage generated water supply.

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Talks on military co-operation between USA and China resumed in Feb 09, after a five-month suspension, imposed by China in protest over US arms sales to Taiwan. Assertion of maritime claims has become more aggressive. Five Chinese boats, naval and civilian, approached the US unarmed ship 'Impeccable', under naval supervision but with a civilian crew, while the US ship was surveying the ocean floor in international waters, about 120 km south of China's Hainan island, on 08 March 09. Claiming the US ship to be on a spy mission Chinese sailors directed the US ship to leave.

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The global slump has increased the potential influence of China's Communist Party's liberal faction, even after twenty years of the Tiananmen Square massacre. Braving the anger of party leaders, veteran communists, including Mao tse-Tung's personal secretary, Li Rui (aged 91), have recently appealed for more democracy in China, an end of censorship, and an independent legal system. In a letter addressed to President Hu Jintao, sixteen party veterans have voiced anxieties at the lack of public scrutiny of China's £400 billion economic stimulus package. They have raised concerns at social conflict becoming acute, as the relationship between party and people is steadily destroyed. The intellectual magazine *Zheng Ming* in Hong Kong has published the text, which expounds liberal agenda followed by Charter 08, which is a mass petition for democracy, circulating in China, despite an official ban.

The letter demands practice of democratic elections, democratic policy making, management and supervision, entrusting people with the right to know, participation in politics, expression of views and supervision of government. The publication of the letter was timed with the Chinese regime summoning delegates to the National People's Congress, to explain its policies and to rally support in the face of a serious crisis of trade and employment. In spite of the Chinese state employing a reputed 30,000 web monitors, the spread of the internet and text messaging have undercut the state's power to control information. The authoritarian faction which comprises the present Chinese leadership, is preoccupied with suppressing dissent and social order.

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Government has been purchasing farm land and luring private developers in India since mid-1990s to promote the outsourcing and communications industries, in various urban conglomerates and satellite peripheries. India's outsourcing industry was born in Gurgaon in 1997. Outsourcing, communications and trade, which comprise India's services industry, represent more than half of India's GDP. The services industry is growing at 10.7%. India's agriculture, where 60% of Indians work, the growth rate in 2008-09 has declined to 2.6%.

The union government has achieved the direct tax collections targets for 2008-09. Compared to the fiscal year 2007-08, net direct tax collections have grown at 18.8%. At a time of economic slowdown, the collections are about Rs 600 cr higher, compared to Rs 3,12,202 crore last fiscal.

Not finding enough avenues to deploy the deposits, many large and medium sized banks have put a check on accepting large amounts of money as fixed or term deposits. Since the cost of accepting a fixed deposit is high and giving loans at a lower interest rate affects their margins, banks are not accepting deposits over Rs 5 crore, without the consent of the Asset and Liability Committee (ALCo). The banks are unable to reduce their peak deposit rates further, as the government administered schemes, such as Public Provident Fund and Post Office Deposit Schemes offer an interest of 8%.

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India's export of agricultural and processed food products has grown at just 20% in 2008-09, which is far lower than the 46% recorded for 2007-08. The resilience of the farm sector has weakened, with the decline in exports of cash crops. The government's fiscal stimuli announced earlier are mainly industry-centric. The farm sector has not been safe-guarded from recessionary trends in the global economic situation and the marked decline in world trade volume. □□□