

NEWS WRAP

AGD

There is an international moratorium on commercial whaling. Even then every winter, a fleet of Japanese whaling vessels sails to Antarctic waters, which the Japanese government describes as scientific research. Under a provision in international law that permits “lethal research”, hundreds of whales are killed, and the animals are later eaten in Japan. The whaling fleet is operated by the Japan Institute of Cetacean Research, which claims that the whale meat is sold, owing to a treaty requirement that whale resources are not wasted, and that income from meat sales is diverted to research. The labour government in Australia, since 2007, has repeatedly threatened to take international legal action, to stop the whale hunt. In the first week of Jan 2010, a high-tech anti-whaling boat, ‘Ady Gil’ belonging to the US-based Sea Shepherd Conservation Society, sank after a collision with a Japanese whaling ship, in the Antarctic. Both sides blamed the other for the collision, which has heightened the annual confrontation between whale hunters and western activists trying to save whales from being killed. The crew of six on the ‘Ady Gil’ survived.

RECOLONIZING ANGOLA

In 1975, when Angola became independent, around 500,000 Portuguese left Angola. The Portuguese were notorious as repressive colonists. Now Portuguese exports to Angola have increased by 35% in 2008, fortifying Portugal’s position to second place, after China, in exports. Outside the oil sector, the Portuguese drinks group is building a brewery in Angola. Portugal is re-engaging with its rapidly growing former African colony. With more than one billion dollars invested by Portugal in Angola, since 2007, Portugal is Angola’s single largest source of foreign capital, excluding the oil trade. Portugal’s state owned Caixa Geral de Deposits is setting up a new investment bank in Angola, which it would jointly own with Sonangol, Angola’s state-owned oil group. With Portugal’s economy critically affected by the international finance crisis, recession and unemployment rising, growing number of Portuguese emigrants are rushing to oil and diamond rich Angola. An estimated 100,000 Portuguese are in Angola, on business. Selecting businesses which have very little chance of surviving in Europe, Portuguese investments in small businesses range from furniture making to food distribution and repair services, which account for about 20% of all foreign inflows.

There have been recent initiatives to bring Angolan and Portuguese commercial law into live, which have consolidated the Portuguese business relationship. Foreign investors in Angola, are encouraged to take local equity partners. While culture and language allows Portugal a competitive advantage over foreign competitors, Portugal faces strong challenge from equally well equipped and commercially powerful rivals like Brazil and China. The Portuguese construction companies are competing with Brazilian and Chinese builders in Luanda, and the smaller office and housing complexes in the capital city’s new southern suburbs.

AKSAI CHIN

The Chinese People's Liberation Army (PLA) have threatened nomads, who move with their cattle to Dokbug area (Ladakh sector) in the Nyoma gradient, during winter every year. The PLA damaged the tents belonging to the nomads, and instructed them to leave. The nomads have been grazing their animals in Dokbug area for decades. Indian authorities look upon the incidents, as another attempt by the Chinese, to claim disputed territory. Shepherds and nomads frequent Dokbug area and Doby Tango area, from December to March, every winter. Differences in perception, between China and India, on the border continue. There has been no proper mapping of the Line of Actual Control (LAC). India feels that China has grabbed a substantial amount of land in the last twenty five years.

TEXTILE EXPORTS

Exports of India's textile products are generally limited to toys, trousers, T-shirts and some hosiery items. The textile industry is India's second largest employer after agriculture; and is a key export player. There are about 15,000 companies in the fragmented textiles sector, employing about 50 million people. Textile exports annually are about \$20 billion, and represent about 15% of India's exports. A large number of the textile exporting companies, export almost entirely to the western world. Relying heavily on state support the textile industry is highly vulnerable by overdependence on western markets. It has failed to adopt sufficient new technology to maintain a competitive edge, over rivals like China, Korea and Indonesia. Textile exports declined sharply, being hit severely by the global economic downturn. The textiles industry sector, lost tens of thousands of jobs, and had to rely on government support. High energy costs; a rise in the price of labour and cotton, which is controlled by the union government; and slowing demand for textiles products has hit the industry very hard. India has scant commercial ideas about application of fibres for non-clothing items. About 55% of India's textile products are exported to the developed countries. Now textile exports need to diversify beyond its traditional markets of USA and Europe.

RELIANCE POWER

In 2004, Reliance Power has purchased from the UP government, 2200 acres of land in Dadri (Ghaziabad), for a 7450 DMW watts power project worth Rs 10,000 crores. The UP High Court subsequently quashed the land acquisition citing that the formality of inviting objections from land owners was not followed by the UP government. Now over 500 farmers have approached the UP government seeking return of land sold to Anil Ambani's Reliance Power. The farmers have also expressed inability to return the compensation at one go, as they had spent the money. □□□