

## **NEWS WRAP**

### **AGD**

With a yearly tobacco output of 725 million kilos, India is the world's third largest tobacco producer. It is the sixth largest exporter after Brazil, China, USA, Malawi and Italy. Indians smoke 108 billion tobacco sticks annually, which makes India the world's eighth largest cigarette market. International tobacco companies like Japan Tobacco, British American Tobacco and Philip Morris International are seeking to expand sales in emerging markets, being confronted by falling aggregate sales in many developing markets as a result of increasing health concerns, smoking bans, higher taxes and advertising restrictions. The union government of India has recently banned foreign direct investment in the manufacture of tobacco products, one of the largest industries. While the new restrictions on new foreign direct investment in cigarette and cigar manufacture, are part of the government strategy to curb smoking, some local tobacco producers have been campaigning strongly against foreign tobacco companies. The recent measures are protectionist in nature.

### **CORRUPT RICH**

Indian nationals have the biggest deposits in Switzerland's banks, estimated at around \$1456 billion (Rs 6552000 crores). The basic needs of 70% of India's population, who live below the poverty line, could be provided for by this amount. The amount also exceeds thirteen times, India's total foreign debt. Foreign banks, in Switzerland and Germany, are willing to share information, on details of the account holders, but the union government has scarcely any interest. Rural panchayats siphoning funds and massive spin-offs from urban financial deals create huge personal fortunes and political funds. Billions are deposited in foreign banks and tax havens.

### **INDIA'S INTERNAL SECURITY CHALLENGE**

The Maoists remain hidden in dense forests, and move around villages in remote areas. They have been regrouping since the 1980s, and have been recruiting hundreds of poor villagers, arming them with bows and arrows, and rifles snatched from police and government armouries. The Maoist rebels have made inroads in nearly a third of India's 630 districts. The 'Red Corridor' stretches from the southern state of Andhra Pradesh to the central state of Chattisgarh, and into West Bengal, bordering Nepal and Bhutan. The Maoists are equipped with automatic weapons, shoulder rocket launches, mines and explosives. They buy weapons from Chinese smugglers, and allegedly maintain links with other militant groups operating in India, including secessionist groups in Kashmir and the north-east. There are about 20,000 combatants amongst the Maoists, including up to 6000 to 8000 hardcore fighters. The Maoists have established strongholds across six states, in the Indian heartland. They have tapped into the anger of isolated and impoverished tribal people, who have been long ignored by the state authorities.

"Ground Zero" of Indian state's battle with the Maoists is mineral rich Chattisgarh, where companies like Tata Steel and Essar, are eager to start mining operations.

Deploying thousands of battle hardened paramilitary forces, the union government and the affected state governments have stepped up efforts to re-take control of areas held by the Maoists. The Indian state is also seeking to win the support of the local tribal population. The recent huge fatal casualties in the Maoist rebel ambush is a response to the government's anti-Maoist campaigns, popularly known as 'Operation Green Hunt', and the threats posed to India's marginalised tribal communities by mining companies, who are eager to delve into the mineral riches. Deadly attacks on security forces and state violence are erupting simultaneously. Maoist rebels have killed about 480 security force personnel, since Jan 09, mainly through ambushes. Since Jan 09, security forces have killed around 400 Maoist rebels, of which some were innocent, unarmed civilians. The state forces are still far too meagre, to reclaim territory held by the Maoists. The Maoist network covers full time armed cadres, as well as village political sympathisers.

### **NUCLEAR TREATY**

USA and Russia possess over 90% of the world's nuclear weapons. In April 2010, the two countries signed an arms control treaty that reduces the number of strategic nuclear warheads, each side can deploy to 1550, alongwith cuts in launchers and new verification procedures. The counting methods are complex, even though the new levels are lower than under previous treaties. While both countries have been cutting above their current treaty obligations, each deployed heavy bomber, equipped with nuclear arms, counts as just one warhead. Each country is expected to have not more than 800 strategic nuclear delivery vehicles. President Obama faces a big hurdle to win over the US Senate Republicans, required for ratification of the Strategic Arms Reduction Treaty (START) deal. President Medvedev of Russia maintains that Russia would support only "SMART" targeted sanctions, rather than measures that would hit the Iranian population. Iran is resisting any attempts to tighten the rules. Egypt is opposing inspections, unless Israel opens its arsenal for inspections.

### **HEALING WARTIME WOUNDS**

When the Soviet Union invaded eastern Poland on 17 Sep 1939, Stalin ordered the execution of more than 20,000 Polish officers and intellectuals in the forests of Katyn. When WW-II ended, the Soviet Union and the communist government in Poland blamed Nazi Germany for the massacre. Some Russians feel that those killed in Katyn were enemies of the Soviet Union. Subsequently Soviet President Mikhail Gorbachev and the first President of post-Soviet Russia Boris Yeltsin, admitted Soviet responsibility of killing at least 20,000 Polish military officers, and also a non-military elite, made up of doctors, lawyers, public officials, and other professionals with reserve officer status. Gaining a breakthrough in Russia's often strained relationship with Poland, the Russian prime minister, Vladimir Putin and the Polish Prime Minister Donald Tusk joined commemorations in April 2010, in the Katyn forest, remembering those killed seventy years ago. Poland is the largest new EU member. It has been growing through the economic crisis, and gaining influence in the EU. Besides being annoyed at being bypassed by the Nord Stream pipeline, Poland has accepted a US missile shield. The Russians are now willing to accept the country's complex past. Recently a film about the Katyn massacres by Polish director,

Andrzej Wajda, whose father was murdered at Katyn, was screened on Russian Television.

The tragedy assumed a greater impact, with the crash on 10 April 2010 of a Russian built Tupolev TU 154 government airliner, near a foggy runway in the city of Smolensk, killing all 96 people aboard, including Poland's President Lech Kaczynski and dozens of Poland's political and military elite, and bishops. The delegation was enroute to a remembrance service at the Katyn forest. □