

NEWS WRAP

AGD

Rainfalls exclusively water crops, in 60 percent of India's cultivated areas. In 2009, an erratic rainfall led to a fall in crop production, driving food price inflation to nearly 17 percent, from previous levels of about 10 to 11 percent. The farmers were hit severely. For the current monsoon season, India's cumulative rainfall is about 10 percent below the long period average for the season. Rise in food prices hover around 19 percent to 20%. Progress of the current year's monsoon across the subcontinent has been sluggish. Easing the current high levels of food price inflation is crucial for the union government of India to act on the politically sensitive issue of raising subsidised fuel prices, which is essential to reduce the government's increasing fiscal deficit.

Fast depleting ground water levels and subsidised electricity supply to farmers in Punjab, Haryana and western Uttar Pradesh are spelling doom to the sustainable production of water guzzling crops, such as rice, banana and sugar cane, in the region.

PETROL PRICES

As part of a crucial primary step towards reducing India's huge petroleum subsidy costs, New Delhi has decided to end state control over petroleum prices. Petrol prices will now move freely with global markets. India's inflation is more than 10% a year. The ballooning fiscal deficit arises from a huge subsidy bill, and expanding social welfare programmes. Cooking fuels, liquid petroleum gas and kerosene continue to be distributed under state control. Price of liquid petroleum gas has been raised by 11.2 percent and kerosene by 33 percent varying from city to city, petrol prices are expected to rise by 8%. Diesel prices have been raised by 5%. India's trucking fleet is fuelled by diesel. The raise in prices of diesel is the first gradual step towards deregulation. Every year, India spends about \$16 billion, subsidising petroleum products. While the subsidies are ostensibly to help fight poverty, the subsidies have become wasteful, poorly targeted and unsustainable. They are primarily benefiting the affluent, who are purchasing cars and motorbikes, in increasing numbers. Freeing petrol prices and the petroleum price increase, would reduce the petroleum subsidy bill to about \$11.7 billion.

MINING COAL

India's environment union ministry's stand on mining is putting several stumbling blocks on numerous 'development projects' related to surface transport, power, water and coal. India's growing manufacturing sector demands that production of coal should double optimally in ten years. 60 percent of India's power supply is fed by coal. Most of the country's mineral resources lie in forest areas. The 48 percent area where coal mining cannot be undertaken, will reduce coal production around 600 MTPA. Domestic production of coal will be pegged to 600 MTPA, from 1000 MPTA. Around 100 odd mining projects are being scrapped or delayed. Some are far from 'unbroken forest', as the areas are surrounded by highways, irrigation projects and other economic activities, as in Chattisgarh.

KYRGYZ ETHNIC RIOTS

An interim government in Kyrgyzstan continues to accept US and Russian military bases in the country. After a popular revolt toppled the president Kurmanbek Bakiyev in April 2010, Rosa Otun-bayeva's interim government has limited control over south Kyrgyzstan, which is separated by mountains from the capital, Bishket, about 300 km away. Since 10 June 2010, genocidal conflicts flared in the country's second city Osh and local rural districts, between Kyrgyz gangs and ethnic Uzbeks. In the besieged neighbourhoods, hundreds of youth have battled with guns, and steel bars, setting houses and shops on fire. Over one lac Uzbeks have fled Osh for the border with Uzbekistan. Refugee camps have been set up in several areas. The interim president Otunbayeva has accused the ousted president Bakiyev of stoking ethnic violence in his southern stronghold. Exiled in Belarus, the former president has denied the allegations. More than 80,000 Uzbeks have fled to Uzbekistan. Around 800 people have been killed in the sudden, brutal violence, and about 3000 suffered gunshot wounds. The interior troops and the army had insufficient control over the situation. Uzbekistan has few resources to accommodate the influx of refugees. Armed Kyrgyz men feel the necessity to defend the region, from a plot by Uzbekistan to seize it.

PROTEST MUSIC

Over a year earlier, the Iranian authorities had cracked down on the demonstrations that rocked Iran, after a disputed election. Now a flood of protest music has engulfed Iran, providing comfort and inspiration to the music lovers. In contrast to the silenced street protests, the "resistance music" is growing angrier and louder. Iranians are downloading protest songs on the internet. The songs of dissent are sold in the black market. Bypassing the internet altogether, they are shared via *Bluetooth*, a wireless technology that Iranians have adapted to share files, on cellphones. Music by Iranian rappers, like Shakin Najati, living in exile in Germany, are downloaded on illegal satellite television. Fans have manufactured dozens of homemade videos, setting montages of protest images to music. Music videos of protest are being posted on line. □□□