

NEWS WRAP

AGD

Industrial output growth has been slowing since Jan 2010, in India. There are questions about India's ability to achieve targeted 8.5% growth for 2010-11, with industrial output growing at lower-than-expected-7.1%, compared to 17.6% of Dec 2009. Many companies are hitting their installed capacity limits. Even then there has been a sharp fall in capital goods expansion, causing doubts the commitment of Indian industries to fresh investment. In the quarter ending October 2010, India's capital goods output grew by 9.7%, compared to 34% a year earlier. Industrialists are unwilling to expand capacity, even after seven months of 25% to 35% growth in consumer non-durable. Global demand-side and domestic supply-side constraints continue.

SUPER BUG

A growing number of European and US patients have been seeking medical treatment, at India's affluent hospital chains, Apollo Hospitals, Fortis Healthcare and Medanta, at a comparatively lower cost or faster treatment, than at their own industrial countries. A recent study published in a leading UK medical journal, "The Lancet" has suggested that Indian hospitals are the source of a new drug-resistant 'Superbug' that is spreading globally. Warnings have been issued against travel to India, for medical treatments. The gene, found to have made bacteria resistant to antibiotics, has been named as *New Delhi Metallobeta Lactamase*, or *NDM-1*. Indian health officials have called the findings as "unscientific" and "economically motivated". "The Lancet" study had claimed that the drug-resistant bacteria were found in patients in India, Pakistan and Bangladesh, and some UK residents, who had obtained treatment in Indian hospitals. Certain doctors at India's infection diseases hospitals have described the UK medical journal's study design as faulty, and did not prove where the bug originated. The Indian health ministry has accused the researchers of conflicts of interest, pointing to funding from the European Union, the Wellcome Trust and Wyeth.

SPONGE IRON

In addition to 33 large sponge iron factories in south of West Bengal, more than a hundred small, medium and large sponge iron units are functioning in West Bengal, over the last half a century, covering districts Purulia, Bankura, Birbhum and West Midnapore. Incessant loading and unloading activities create an envelope of dust, which is detrimental to the health of the villagers, who are predominantly tribals. Pollution is ruining lives and livelihood. Meanwhile, police are arresting, without arrest memos, social activists in the area, who were agitating against destruction of health, fishery and livestock.

OFFSHORE OIL DRILLING

Stretches of southern Sicily, in Italy, were polluted by the 1960s construction of oil refineries. The United Nations Environment Program has identified the Sicilian Strait, between Sicily and Tunisia, as a priority area for conservation. The Aqua area is a breeding ground for tuna, swordfish, sharks and turtles. For birds, whales and dolphins it is an important habitat. Deep sea coral gardens have been found near Pantalleria, small

islands in the Sicilian Strait. The world's first known creature to live without oxygen has been found in the Mediterranean waters. Now international companies have plans to explore for oil in the Sicily island's waters. Social activists and politicians have started mobilising against offshore oil drilling plans. Concerns have increased by BP's disaster in the Gulf of Mexico, and its plans to start deep sea drilling, off nearby Libya.

ARGENTINE WHEAT

World wheat prices have risen to a two year high level. Suffering the worst drought on record, Russia the world's third largest wheat producer, has suspended grain exports. But Argentine farmers would be unable to fill the wheat gap. Argentine farmers, for the past four years, have been faced with wheat export limits, aimed to protect domestic prices, and extract 25% in export taxes, which discourage overseas sales. With not much incentive to produce, the farmers have reduced the land sown with wheat, to a 111-year low. Cereal exports have halved over the past five years. The Argentine wheat farmers are cultivating other crops, like soyabean. Deterred by the flow of money into capital-intensive agriculture, international investors have switched to Uruguay, Paraguay and Brazil. Wheat farmers in Argentine suffered frosts in 2007-08 that damaged crops. There was a devastating drought in 2008-09 and 2009-10. Rains have delayed planting in the south-east of Buenos Aires province, which produces a third of Argentine's wheat.

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