

## NEWS WRAP

AGD

During the three-day visit to India in December 2010, Wen Jiabao, China's premier, described the 21st century as the Asian century, where China and India could make great achievements. Wen Jiabao has lifted trade and investments across the Himalayas. The 300-strong Chinese business delegation struck \$16 billion worth of deals with Indian partners, underwritten by finance from Chinese banks. The nearly 50 agreements surpassed the \$10 billion orders for US companies, negotiated in Nov 2010, during the visit of President Barack Obama of USA. The India-China financial deals are between China Development Bank and top Indian companies such as Reliance Communications, ICICI Bank, Essar and IDBI Bank. Industrial and Commercial Bank of China and Bank of China seek to expand business with India. Anil Ambani's debt laden Reliance Communications has gained low cost finance from Chinese banks, valued at about \$2 billion. Besides being a market driven commercial lender, the China state owned China Development Bank provides cheap credit to China's ruling Communists Party's projects at home and abroad, Indian banks operate in China, but Chinese banks do not have a similar presence in India. The financial services pact between India and China has been strengthened. Business between financial centres like Mumbai and Shanghai strengthened. Huawei, the Chinese Telecoms company will invest in research in Bangalore's IT. "Cost effective" power plants, like Shanghai Electric and Dongfang Electric will supply electricity to 200 million needy Indians. To help reserve China's huge trade surplus, Indian pharmaceutical, services, food and IT companies will have greater access to Chinese markets.

### RAJARHAT NEW TOWN

Infrastructure in Rajarhat New Town is lagging far behind schedule, and allegations relating to acquisition of land and land allotment at Kolkata's Satellite Township are mounting up. The project has been a West Bengal State Government initiative to create dwelling place, for at least seven lac people. Most of the land was acquired from small and poor peasants, some of whom were unwilling farmers. The management of Housing Industrial Development Corporation (HIDCO) created a "special quota" for allotting plots, thereby resulting in huge loss of revenue. Till March 2009, altogether 147 plots were allotted under "special quota", in addition to 292 plots under the Chairman's quota. All India service officers were favoured in return for administrative help. 210 km of internal roads were required to be constructed as per project report of 1999. But till March 2009, only 67 km of roads have been completed. The delays in road construction have delayed building the drainage and sewerage systems. Several water bodies, big and small, have been filled up, in the process of land development. The arbitrary decisions of the managing committee have caused huge revenue loss to the public exchequer. There has been discrimination in land allotment.

### CHAVEZ'S VENEZUELA

In Sep 2010 elections, an alliance of opposition parties in Venezuela, won 66 of the 165 seats in Congress, enough to block important legislation, ahead of presidential elections in 2012. President Hugo Chavez is seeking special powers that will allow him to rule by decree, and safeguard "21st century socialism" and "Bolivarian revolution" in Venezuela. Powers of rule by decree are required to deal with a national emergency, caused by floods which have killed about 50, and left 130,000 people homeless. Similar floods in neighbouring Colombia have killed about 240 people and driven nearly 2 million from their homes. The economy of Venezuela, south America's largest oil producer is struggling. Inflation, violent crime, corruption and deteriorating public services have reduced Chavez's popularity even among his followers. The Venezuelan government, run by Chavez's United Socialist Party of

Venezuela (PSUV), has expropriated a number of foreign owned companies, with well over 200 businesses nationalized in 2009. A media bill aims to close websites that criticize the government. A sales tax increase is designed to help pay for damage, caused by the floods. Venezuela's opposition coalition lacks any clear leader or common platform.

### **AFGHANISTAN**

Even after induction of an extra 30,000 US troops in Afghanistan a year earlier, the US troops are set to stay much longer in Afghanistan, than was widely supposed a year ago. The US special forces have intensified campaigns on insurgent commanders. While the Taliban have been pushed out of many of its havens in the Southern Helmand and Kandahar provinces, the gains remain fragile and reversible. In spring, the Taliban fighters are expected to emerge from bases in Pakistan. The continuing violence has restricted access for International Committee of Red Cross and other humanitarian organizations to its worst level in thirty years. Insurgents have increased attacks in the north and west of Afghanistan, as US troops have poured into the south. A large number of civilians have been killed in roadside bombings in western Afghanistan. Local officials have been killed by the Taliban in Kandahar. Pakistan continues to act as a broker for any eventual negotiations between insurgents and the Afghan government, rather than being pressurized to end backing Afghan militants. The dangerously politicised police and army are a poor match for the insurgents, and it is unlikely that the Afghan security forces will be ready to begin fighting the Taliban, within four years. □□□