

NEWS WRAP

AGD

CURRENTLY THERE IS A significant lack of depositor confidence in Primary Agricultural Credit Societies (PACS), because the deposits in these societies do not enjoy the protection ensured by the Deposit Insurance and Credit Guarantee Corporation. The deposit insurance schemes launched by several states for the co-operative sector, including PACS, are largely non-functional. The PACS suffer from a low and inadequate capital base, and in recent years several co-operative banks have collapsed. Low equity participation and deposits by the members hampers successful operation of PACS. The PACS lacks special managerial skills to follow up initiatives of the National Bank for Agriculture and Rural Development (NABARD) relating to providers of farm inputs; ware housing; leasing out farm equipment; and providing e-enabled services for dissemination of information on weather, market prices, technical advice and land records. Programmes already initiated for revitalising PACS are either lying defunct or performing below their capacity. The institutional protection and deposit safety scheme for PACS may attract more deposits.

VIETNAMESE IN SOUTH KOREA

Faced with a shortage of labour, south Korea has always welcomed new arrivals from Vietnam, one of its biggest sources of migrant labour. Of late, unable to stop the Vietnamese migrant labourers from disappearing into the clandestine economy, South Korea has now temporarily blocked fresh Vietnamese migrant labourers from entering. Many young South Koreans shun manual labour, which is left to older workers and foreigners. Nearly 9000 of the Vietnamese immigrants in South Korea, out of a total of 60,000 workers who have arrived since 2004, were working illegally, either because they had overstayed their visa, or had changed employment without permission. Migrant workers quit their mandated jobs, to search for better paid illegal work. The South Korean government has postponed the Korean language exam for Vietnamese citizens, a prerequisite for potential labour migrants. South Korea faces similar issues with workers from other Asian countries like Cambodia and Indonesia, but Vietnamese workers had the worst reputation for absconding. Dependent on hard currency, Vietnam received \$7.2 billion in 2010, around 7% of GDP, as remittances from overseas workers.

SYRIAN OIL

A tightening grip of a European and US embargo has severely impeded Syrian oil sales, which is vital source of earnings for Damascus. The UN Security Council has resumed efforts to condemn the repression of pro-democracy demons-trators in Syria. The Syrian economy has been battered by months of political unrest. Syria normally exports only about 100,000 barrels of crude daily. Until the European Union imposed sanctions in Sep 2011, nearly all of the exports went to Europe. The sanction has deprived president Bashar-al-Assad's regime of a

quarter of its earnings, denominated in foreign currency. Potential buyers are unable to finance purchases of Syrian crude because of the sanctions. However, supplies on the world market have become more plentiful in recent weeks, as the world economy is slowing, and Libya has begun exporting some oil again. Hence, there is no urgency for an Asian buyer to do business with Syria. Authorities in Syria have requested foreign oil companies operating in Syria to cut back production, because excess crude has been filling the country's storage capacity.

SAUDI WOMEN

Saudi Arabia is a puritanical kingdom that enforces strict separation of the sexes, including banning women from driving. King Abdullah's decision to grant women the right to vote and run in future municipal elections signifies the biggest change in a decade for women, even though the next election cycle would not be until 2015. Saudi women legally require male chaperons for almost any public activity. Orthodox traditions are ordained by the Wahabi sect of Islam, and its fierce resistance to change. Public education for women took years to gain acceptance, after it was introduced in 1960. There have been loud demands that all 150 members of the Shura be elected, not appointed. Women were granted the right to their own national identification cards in 2001. The conservative Saudi judiciary has yet to allow female lawyers, a new phenomenon, to argue in court. King Abdullah announced in March 2011, public spending of 488 billion riyals (\$ 130 billion), over the next decade on schemes like affordable housing, hoping for social peace. It is unclear how many women would take part in elections, even under the new law. □□□