

NEWS WRAP

AGD

Being increasingly distinct, Gaza strip and the West Bank add fresh obstacles to a possible two-state solution of Israel and Palestine, existing side by side. Imbued with a narrow Islamist culture, Gaza considers Israel's elimination, as the supreme objective. With an open and secular traditions, the West Bank government is making political and diplomatic efforts with Israel to settle disputes. The two Palestinian territories are antagonistic to each other. With a view to undercut support for the Gaza Strip's ruling Islamist Hamas movement, Israeli policies restrict travel to and from the Gaza Strip and limit its economic growth. Differing in indicators like birthrates, population growth, cultural and religious attitudes, and prosperity, Gaza and the West Bank are run by competing governments.

Investment companies, new shopping centres, planned communities, construction activities and film festivals, have brought renewed economic growth to the West Bank. There has been increasing poverty and despair among Gaza's 1.5 million people, owing to rules framed by Israel. Since winning elections two years earlier, Hamas has closed down the major segments of Gaza's political and cultural life. Hamas' aims of building a "resistance society" leads to a long drawn struggle, posing impediments to fresh business ventures. Gaza has little cash and little commerce with the rest of the World. Religion remains the only growth industry in Gaza.

NUKES

Worries over global warming, virus pandemics and terrorist attacks are increasingly overtaking public anxiety over nuclear weapons, in the post-cold war era. Yet the threat of 23,000 nuclear weapons, with a combined blast capacity of 150,000 Hiroshi-mas, is a large threat to humanity. Under a renewed strategic arms reduction treaty, (*start*), USA and Russia who own 22,000 of the world's atomic weapons are quite close to agreeing on huge reductions in deployed warheads and launching systems. Forty national leaders, at the nuclear security summit in Washington, aim to secure all nuclear material worldwide, within four years. With the enormous increase in the use of civil nuclear energy, any movement on non-proliferation demands demonstrable support from the big nuclear powers, on disarmament of tactical nuclear weapons.

Recently Iran has ventured into enriching Uranium to 20 percent required as nuclear fuel for the Tehran reactor, which manufactures medical isotopes.

GULF DEFENCE SHIELD

Following Iraq's 1990 invasion of Kuwait, six members of Gulf Co-operation Council, namely countries Saudi Arabia, UAE, Bahrain, Qatar, Kuwait and Oman, have been talking about the possibility of formulating a regional defence shield. USA has a missile defence system in the Gulf. Kuwait and Saudi Arabia have the US patriot system, for years, and wish to upgrade. In response to terror threats and tensions with Iran, Saudi Arabia has been developing a 35,000 strong force, to protect oil facilities and other infrastructure. Currently the United Arab

Emirates is spending about \$12 billion on defence, which covers acquiring Patriot and the US Terminal High Altitude Area Defence System. Amid Iran's failure to accept an international deal over its nuclear program, USA is working with Gulf states, to upgrade defence capabilities in the region. Even though Iran has never attacked Gulf countries, the oil-rich Gulf countries, which are important US allies, feel concerned about Tehran's nuclear program and are worried about Iranian influence in the region. The Gulf countries could also be the target of retaliatory attacks, if USA or Israel conduct military strikes on Iran.

AFGHAN CAMPAIGN

To support operations in landlocked Afghanistan, USA faces a difficult logistics assignment. Every month about 6.2 million gallons of fuel are required for air and ground operations, and about 917,000 gallons are spent on base support activities, which include lighting, running computers and heating or cooling. The major supply lines for the US military are routed along long and dangerous roads, in the south, travelling from Pakistan to Afghanistan. Theft is common on the mountainous roads. Truck drivers in the region frequently make cash pay offs to insurgents and tribal leaders. The US Defence Department is exercising efforts to diversify supply sources. Although the routes are more long and costly, contractors have been asked to bring in more fuel supplies by northern routes, which are considered more secure. With transit arrangements across Uzbekistan or Turkmenistan, contractors transport refined oil products from Russia and central Asia, through pipelines, or from Azerbaijan across the Caspian sea, before transferring the fuel products to US facilities in Afghanistan, by rail and truck. The new fuel bulk storage systems at Bagram, Ghazni and Sharana may not be completed before the return of US forces back to USA, within 18 months.

TAX HAVENS

There are around 70 tax havens, where huge untold wealth, estimated at about Rs 65 lac crores, which has been siphoned off from India, lie deposited in banks abroad. Indian account holders are holding illegitimate accounts in the Swiss Banks, LTG Bank Lichtenstein, St Kitts and other tax havens. The names of a few Indian nationals, holding unaccounted money abroad in foreign banks, are known to the Union Government of India. A list of such names is also held by the Central Board of Direct Taxes.

HIGHWAYS

The Union Ministry of road transport and highways in India, aims to construct 35,000 kms of highways in the next five years. Recently the ministry has made it mandatory for states to sign support agreements with it, for access to central funds, for the projects. The agreements bind the states to acquire land. Not signing the accompanying agreement, could result in non-award for building, operating and transfer of the projects. Earlier the central funds were allotted to the states, without any conditions. Generally, private developers acquired the land, resulting in inordinate delays and cost over-runs. States like Bihar, Gujarat, Jammu and Kashmir, Maharashtra, Orissa, Tamil Nadu, Tripura, Uttar Pradesh are yet to sign the agreement.

BITTER SUGAR

3.72 percent of the wholesale price index is accounted for by sugar. Sugar production in 2009-10 was just 16 million tons, against India's annual consumption of 23 million tons. The acute shortage of sugar is accelerating rise in sugar prices, with sugar production estimated at 21 million tons in 2010-11. Bulk consumers like makers of sweets, soft drinks (Coca Cola, Pepsi Cola etc), fruit juice, chocolate, ice cream and biscuits (Britania etc) account for 65 percent of India's sugar consumption. Bulk consumers should use only imported refined sugar. □□□