

NEWS WRAP

AGD

On 01 December '63, out of the Naga Hills district of Assam, combined with the Tuensang tract of former North East Frontier Agency (NEFA), Nagaland (16,527 sq kms) was created. The National Socialist Council of Nagalim (NSCN-IM), headed by 75-year-old Thuingaleng Muivah demands a separate sovereign state, Nagalim, comprising present Nagaland as well as the entire "Naga-inhabited" areas, of adjacent Arunachal Pradesh, Assam, Manipur and Myanmar, adding up to around 1,20,000 sq kms. The cease fire with the NSCN-IM and the union government of India was signed on 25 July '97, and became effective from 01 Aug '97. Since then over forty rounds of talks have been conducted between the government and the NSCN-IM. The 2001 decision of the government to extend the cease-fire with the NSCN-IM, without territorial limits, had evoked massive protests in Manipur, Assam and Arunachal Pradesh. The Meiteis, who comprise 70 percent of Manipur's population and dominate the Imphal Valley, are opposed to cede any further territory to Nagalim.

PRICING GAS

In a recent decision, the Supreme Court in New Delhi ordered that Mukesh Ambani's Reliance Industries, which controls the gas, can sell it to his brother Anil's company, Reliance Natural Resources, at nearly double the price, indicated in an earlier family agreement of 2005. The Supreme Court held that the government pricing is binding. The union government of India demanded that gas be sold at \$4.20 per million BTu, which is nearly twice the price, agreed between the Ambani brothers. The government's terms stipulated that gas should first be allocated to state fertilizer factories. The government's intervention in the pricing of gas, rather than permitting market forces to set prices, establishes a precedent for investors in India's oil and gas sector. While the Supreme Court verdict may uphold the fact that gas belongs to the government and the people of India, there is vast lack of transparency of policy making in India's gas and oil sector.

Few major foreign investors expressed strong interest, during India's last auction of oil exploration blocks. India requires to encourage greater investment in oil exploration and production, to satisfy its growing energy needs. Price fixation lack clarity. Ad hoc government intervention in the pricing of fresh oil and gas discoveries, is bound to deter large foreign investors.

There is an urgent need to build gas pipelines in India, to allow consumers to access the gas. There are only two trunk pipelines in India. The HBJ pipeline connects the western coast to northern India. The Kakinada-Bharuch pipeline has been recently commissioned by Reliance Gas Transmission India. There is a huge unfulfilled demand in the entire southern region, which has a larger number of gas consumers like fertiliser, power and industry. Due to lack of pipelines, the southern region has to buy expensive alternatives like Naptha, or import liquefied natural gas. Differences between the union Petroleum Ministry and the Petroleum and Natural Gas Regulatory Board, have only delayed the construction of trunk and spur pipelines.

BISHOPS IN CHINA

Amongst western nations, Vatican is the only country that still maintains diplomatic relations with Taiwan, rather than mainland China. The Roman Catholic Church claims spiritual leadership over one billion Catholics worldwide. The world's most populous nation, China, has an estimated eleven million Catholics. In the ongoing efforts to re-establish diplomatic relations, senior diplomatic officials from the Vatican and China, have been meeting two or three times every year. The long strained relations, between the two sides, appear to be on the mend, with China's state backed Church ordaining Vatican-approved Bishops, after an interval of more than two years. The recent ordinations are approved by China's government sanctioned Catholic Patriotic Association and the Vatican. Even though China and the Vatican have not recognised each other since 1951, over the current year, about twenty five mutually agreed bishops have been ordained. The new bishops, who belong to the 30s to early 40s age group, are replacing elderly priests in their 80s or even 90s. Decades of religious repression under Mao Ze Dong have created a generation gap amongst the ordained bishops. Prior to the ordinations of 2010, there were no new bishop appointments since Dec 07. Sino-Vatican relations remain delicate despite the recent improvements. It could be easily upset by China unilaterally appointing a bishop, as in April 06. There have also been earlier instances, where the Vatican has elevated bishops to cardinals, particularly those who have been champions of democracy and human rights. Vatican approved bishops remain under pressure to attend and participate in Chinese domestic bodies, including the National Congress of Catholic Representatives, whose authority is not recognised by the Pope.

AFRICAN DAMS

Africa used only 3% of its renewable water, compared to 52 percent in South Asia. The continent remains the least irrigated and electrified. Amongst the successful dams in Africa are the River Volta Dam in Ghana, the Nile Dam in Egypt, and the Zambezi Dam in Zambia, Zimbabwe and Mozambique. Of late several dam building projects are springing up in Africa. The new Nerowe Dam in north Sudan will produce 1250 megawatts of electricity and create 174 km long lake above the Nile. The Merowe Dam is expected to irrigate swathes of farmland in northern Sudan, besides augmenting electricity in Khartoum.

Most of Africa's new dams are being constructed by China, from its own resources. Even though China expects spin-offs, the Chinese built dams are much greener, with attention to the environment. Political instability, graft and incompetence in African countries lead to many African dams not producing expected levels of electricity, and failing to irrigate sufficient cultivable land. Negligible power has been generated by the Inga I and II dams on the Congo river. Melted snow does not fill the dams, while seasonal rains produce muddy rivers, with higher sedimentation. The dams are suffering a shorter life span and heavier maintenance. Overhauling of its dams and transmission lines, have cost Angola \$ 400 millions.

With rainfall estimates inaccurate, some African countries rent costly diesel generators to boost hydropower in years of drought. The turbines do not get turned, when the reservoir water falls too low. Disputes over sharing the Nile waters between Ethiopia and Egypt impede power export. Ethiopia's Gibe III dam cost \$2 billion and produces 1800 megawatts, the same amount as south Africa's Koeberg nuclear reactor. The livelihood and culture of 200,000 people in the Omo river basin, could be ruined by

Gibe III. Across Ethiopia's southern border, Lake Turkana in Kenya, could have water levels falling from 50 cms to 5 meters. □□□