

NEWS WRAP

AGD

Maoists are reportedly forging ties with north-east India militants, in Assam and Manipur. The red ultras in West Bengal are receiving huge cache of arms and ammunition from Manipur's People's Revolutionary Party of Kanglaipak (PREPAK), a militant outfit. Arms and ammunition received from PREPAK have been distributed in Jharkhand and Orissa. Maoist operatives have been arrested from the Indo-Bhutan border areas. The Maoists have established links with extremist Adivasi People's Army (APA) in Assam, and the Revolutionary People's Front (RPF) of Manipur. Even though Assam does not have any common border with Nepal, there is a nexus between the Communist Party of Nepal (CPN) and CPI (Maoist). Left-wing extremist organizations in Assam have been trying to influence the sizeable Adivasi population of Assam, through two militant organizations, namely, Adivasi Cobra Militant and Birsa Commando Force. These militant organizations are demanding scheduled tribe status for Adivasis in Assam, protection to life and property of Adivasis, and employment opportunities for Adivasi youth. The two Adivasi outfits, with about 600 trained cadres, are presently under cease-fire agreement with the Assam State Government.

NUCLEAR DEAL

Provoked by the 1998 nuclear tests in Pokhran, India was in nuclear isolation till 2008. Two years ago, USA helped end India's Nuclear isolation. Since then European and American firms have been focusing on the lucrative nuclear energy market in India. The recent multi-billion dollar agreements signed by France and India will herald an era of civilian nuclear energy in India. The French company Areva will shortly build two 1650 mw European Pressure Reactors (EPR) at Jaitapur, in Maharashtra. To overcome the massive power shortage, four more reactors are planned in Jaitapur, which are among a total of twenty nuclear reactors. These new nuclear reactors will be operated by the Nuclear Power Corporation of India Ltd (NPCIL), and will be having guaranteed fuel supply from France, for twenty five years. The first two nuclear reactors to be built, is estimated at \$9.3 billion. Areva is seeking more clarity on the civil liability law in India. The European Pressure Reactor is a pressurised water reactor, whose power output is up to 1600 mw, while no current Indian reactor generates more than 540 mw. The present seventeen operational nuclear reactors in India, generate just 4120 mw of electricity.

MICRO FINANCE

Micro Finance Institutions (MFIs) in India are essentially money-lenders. A deadly combination of high interest rates, coercive recovery processes leading to suicides by farmers, extravagant salaries paid to top micro finance executives, and promoters making huge sums selling their stake through initial public offerings create a dismal picture of MFIs registered with the Reserves Bank of India, as non-banking financial companies (NBFCs). The clientele of micro finance are scattered, impoverished and uneducated borrowers, who are generally unaware of their rights. But the misadventures of the micro finance sector have not yet jeopardised the safety of the banking system, since the banks are covered by the implicit guarantee of the taxpayer's money. Easy access of funds to the micro finance sector has not posed a systematic risk to the financial sector.

PORTS FOR NORTH EAST

Bangladesh has allowed India access to the Chittagong and Mongla ports; and will be declaring Ashuganj, a river port near Brahmanberia, the port of call. India will construct an 11 km rail link between Agartala and Akhaura, the Bangladesh railway station, along the

international border. A land customs station will be opened by India at Sabrum-Ramgarh, offering facilities for Sabrum, Tripura's southernmost border town, opposite the Chittagong Hill tracts town of Ramgarh. Besides building inter-grid power connectivity, supplying 250 mw to Bangladesh, and providing \$1 billion line of credit for infrastructure projects in Bangladesh, India would declare Shilghat, a port of call. The path-breaking agreements are expected to transform economic relations between north east India and Bangladesh.

Tripura is strategically located with Dhaka, Chittagong, Sylhet and Comilla within 150 km of Tripura's border. Tripura's Sabrum town is only 75 km from Chittagong port. Official trade between Tripura and Bangladesh is estimated at Rs 150 crore during 2009-10, which reflects a three-fold increase since 2006. The north-east has a road network of around 82,000 km, with Assam (35,000 km) and Arunachal Pradesh (15,000 km). Stretching almost entirely within Assam, the railway network in the north-east is about 2500 km. Frequency of air flights have brought markets closer. The river system in India's Sunderbans and Bangladesh waterways has numerous confluences and distinct meandering patterns, which cause increased sedimentation and shallow water levels. Mutual investments between India and Bangladesh will reduce the geographical isolation of India's landlocked north-east. □□□