

▶▶ Spot Light

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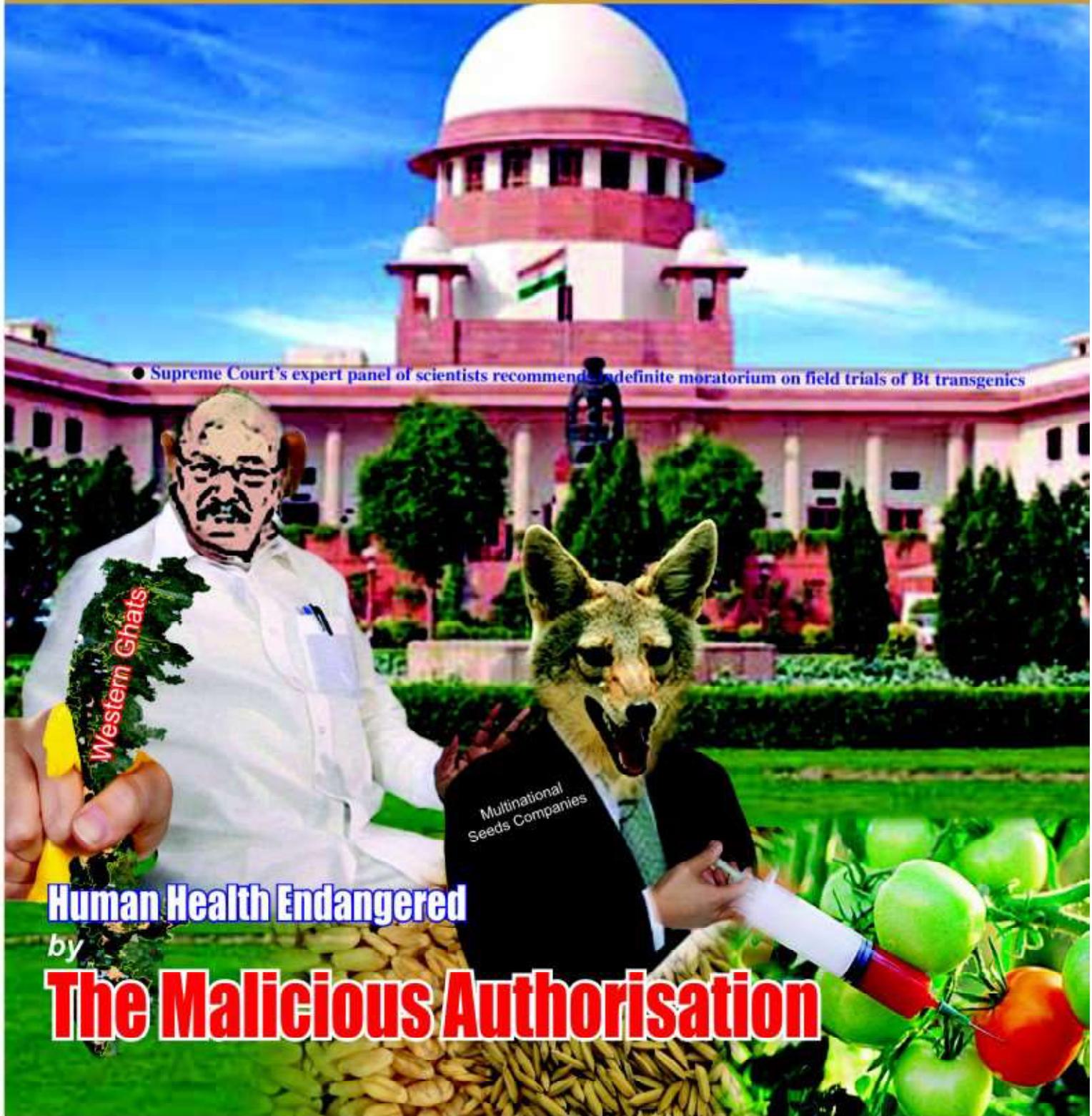
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# Swadeshi

PATRIKA

April 2014

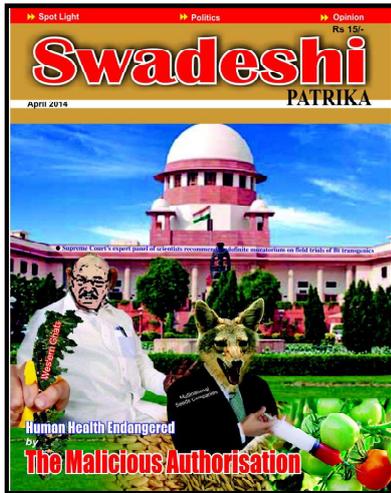
● Supreme Court's expert panel of scientists recommends indefinite moratorium on field trials of Bt transgenics



**Human Health Endangered**

by

**The Malicious Authorisation**



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## Season of shifting loyalties

*It would only be proper to describe 'election time' in the country as 'Season of shifting loyalties'. Day in and day out, we see politicians shifting their loyalties at the drop of a hat. No sooner does a politician come to know that s/he has been denied a ticket to contest elections, than s/he quits the party. S/He loses no time in slamming her/his present party and singing paeans of the party s/he intends to join. In politics, it has been rightly said that there are no permanent friends but permanent interests. But these are narrow selfish interests of individuals. The upcoming parliamentary elections clearly reveal that 'Aaya Ram, and Gaya Ram' culture is still intact in the country and till democracy throbs here this culture would continue to flourish.*

*All political parties-whether national or regional have no hesitation to jettison their ideological mask to accommodate people with or without ideology. The target is to cobble a group who may emerge victorious and share power and pelf. People on their part too do not have any problem with power hungry politicians even if they have a tainted background as long as they swear by religious or caste creed. Merit does not matter; nor does the integrity of a person. In India it is 'Jaise praja, wayse neta'. Parliamentary election 2014 seems a watershed election as a lot of hope has been generated by young voters expressing their willingness to transcend narrow barriers. Hope it is reflected in the final out come.*

– Vishant Kumar, Jammu

## Cover page in Bad Taste

*In my opinion the cover page of English Swadesh Patrika issue of March 2014 showing subservience of Sarvashree Chidambaram, Anand Sharma and others is in bad taste. We may criticize our government functionaries but do not have to belittle them in relation to foreigners. You may wish to deliberate on this.*

– Ravindra Mahajan, Mumbai, via Email

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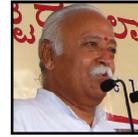
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## Quote-Unquote



Developing an indigenous pattern of growth, based on our own genius and in sync with the present times, will make us self-reliant, create jobs, improve quality, and ensure equity, justice & freedom from exploitation.

**Dr. Mohan Rao Bhagwat**

Sarsanghchalak (RSS)



China will clearly gain from a new US-Russian cold war, just as it became a major beneficiary from the old cold war.

**Brahma Chellony**

Security Expert



Using its leadership in areas of productivity & innovation, the US appears set for increasing domination of the world economic order.

**G. Parthasarathy**

Former High Commission to Pakistan



The Third Front is not just dead, it was never born. It is a hobby horse of the communists, who want to use the power of regional parties to manipulate their way to promote obsolete agendas.

**Derek O'Brien**

Trinamool Congress MP

# Wreaking Havoc on Western Ghats

*"Luck is a very thin wire between survival and disaster, and not many people can keep their balance on it."*

— (Hunter S. Thompson)

Environment Minister Veerappa Moily soon after taking the additional charge of the ministry not only announced his decision to 'revisit' report on Western Ghats but also accepted the Kerala government's recommendations to keep agricultural land, plantations, and habitations out of the ecologically sensitive areas (ESAs) identified by what is being claimed as an expert committee on the conservation of the Western Ghats. The ministry has also decided to consider similar proposals of other states in Western Ghats region if forwarded within 60 days of the draft notification. Veerappa Moily, who was given the additional charge of Union Ministry of Environment and Forest (MoEF), after Jayanthi Natarajan's resignation, earlier met the chief ministers of Congress-led Maharashtra and Kerala to discuss the issue. Speculations are rife that Jayanthi Natarajan was asked to resign by the Prime Minister's Office after being held responsible for what they call hindrances in clearance of several development projects. Natarajan, however, has maintained that she quit on her will to work for the party for upcoming Lok Sabha elections. But the fact that she relinquished office while the ministry was in the process of finalising the draft notification identifying the boundaries of the ESA makes her claims sound hollow. Observers believe that relentless lobbying by vested interests was responsible for her ouster.

The Western Ghats, we must remember, is world famous for its rich bio-diversity. Western Ghats is included in the 2 identified Indian bio-diversity hot spots out 34 all over the world. Other is the Eastern Himalayas. 4000 species of flowering plants are found in the Western Ghats. Of them 38% are endemic, in the sense that those species are found only in the Western Ghats and nowhere else in the world. Similarly 330 butterfly species are found and 11% is endemic. 288 Fish species-41% endemic, 220 amphibian species-78% endemic, 225 species of Reptiles-62% endemic, 500 bird species -4% endemic and 120 mammal species-12% being endemic are also found in the Western Ghats. Moreover the Western Ghats boasts of the largest global population of Asiatic Elephants, Tigers, Wild Dogs and Gaur. This high degree of endemism has earned the Western Ghats the coveted rank of HOTTEST OF Hotspots. The Western Ghats play a very crucial role in getting good monsoon rains during June to September that is the major water resource for the country's Agriculture. Considerable extent of the Western Ghats has been severely damaged irretrievably Over the last 60 odd years of our independence, on account of, the destructive development model of the West, that we have been following, such as construction of massive hydro power projects, mining, construction of polluting and forest based industries, rapid urbanisation and so on. With a view to save at least the remaining part of the Western Ghats and its ecology, MOEF appointed The Western Ghats Ecology Expert Panel on 4th March 2010 for recommending measures for the conservation, protection and rejuvenation of the Western Ghats and its ecology under the Chairmanship of renowned environmental scientist and ex Chairman of the Centre for Ecological Sciences Bengaluru, Dr. Madhav Gadgil. The W.G.E.E.P. submitted its Report in 2011. However for obvious reasons the MOEF rejected the Gadgil Committee Report and appointed a 'High Level Working Group' on Western Ghats (HLWG) under the chairmanship of Dr. K Kasturi Rangan ex chairman of ISRO, and presently a member of The Planning Commission, on 17th August 2012 with the mandate to review, read water down, the recommendations of the Gadgil Committee Report. The H.L.W.G. submitted its Report on March 15, 2013. Madhav Gadgil had recommended that the entire Western Ghats should be declared as Ecologically Sensitive Area (E.S.A.). Kasturi Rangan recommended that 37 per cent area of the Western Ghats, which represents a band of contiguous vegetation and is extremely rich in biodiversity, should be declared as eco-sensitive. It also suggested that no new projects or expansion of projects related to mining, quarrying, thermal power plants and highly polluting industries should be allowed in the ESA. Even though the report was accepted by MOEF but as soon as Veerappa Moily took charge the demonic nature of the Ministry came out in full swing and decided to further squeeze the bio-diversity hot spot. That means even the watered down K. report was rejected by the politician - mafia nexus. Irony is that the irreversible damage is done for narrow political and electoral benefits. It is time when the voters of the area teach the myopic politicians a lesson in the forthcoming Parliamentary polls.

## Field Trials of GM crops UPA's mischief against Bio-safety and Human Health



*The permission to conduct field trials of GM crops in the country by Veerappa Moily, inspite of the matter being subjudice before the Supreme Court, at a time, when the UPA government is completing its tenure appears to be a prelude for opening up an unprecedented opportunity for MNC seed companies, eyeing the multi-billion rupee seeds-market in India, thinks Prof.*

**Bhagwati Prakash**



**T**he permission granted to conduct field trials of genetically modified (GM) crops in the country by the Environment Minister, Veerappa Moily, inspite of the matter being subjudice before the Supreme Court, at a time, when the UPA government is completing its tenure and fresh elections are due, is quite strange. It appears to be a prelude for opening up an unprecedented opportunity for a dozen plus multinational seed companies, eyeing the multi-billion rupee seeds-market in India, which might lead to a most fateful and irreversible contamination of the germ plasm of the farm and forest wealth of the country. Sensing the seriousness of such a perpetuating, environmental and health menace with cascading effects, the six member technical experts' committee of the Supreme Court has unequivocally recommended for an indefinite moratorium on such trials, unless the shortcomings in the regulatory process were plugged. However, out of respect for the dissenting note of the nominee of the ministry of agriculture, R.S. Paroda, the Supreme Court has offered an opportunity to the government to further clarify its stand, by issuing a show cause notice to the government before deciding on the petition seeking a moratorium against such fateful trials. But, the government instead of filing the reply and waiting for the apex court's decision has shown undue haste in granting this controversial permission, which arouses apprehension of undue influence of the foreign corporate lobbies, bent upon to monopolise the multi-billion rupee seed trade in the country, having largest area of arable as well as irrigated land in the world. For a country like India, what would be left, if its agro-biodiversity and the germ plasm of vast and diverse flora is contaminated or destroyed? For the sake of scientific research and development (R&D), the trials should have been ordered

in close green houses of either glass or PVC.

The GM crops have been reported to have caused severe health problems among the subjects fed on these crops. Even, several FDA scientists in the US have agreed that the GM foods in general create unpredicted allergies, toxins, antibiotic resistant diseases, and nutritional problems. In the early 1990's when rats were fed with genetically modified (GM) tomatoes, they refused to eat them, and when force-fed, several of them developed stomach lesions and seven out of forty died within two weeks. A UK government-funded study has found alarming evidence that rats fed on GM potato developed potentially pre-cancerous cell growth, decline in immunity, partial atrophy of the liver, and inhibited development of their brains, livers and testicles. It has also been found that the rats fed on GM corn had problems with blood cell, kidney and liver formation. Mice fed on GM soy developed problems with liver cell formation and pancreatic functions, and the livers of the rats fed on GM canola were heavier. The Pigs fed on GM corn on several Midwest farms developed false pregnancies or sterility. When cows were fed on GM corn in Germany, they are reported to have died mysteriously. Twice the numbers of chickens are reported to have died, when fed on GM corn, compared to those fed on natural corn. In a human feeding study conducted showed that the gene inserted into soybeans spontaneously got transferred from the GM food into the DNA of gut bacteria of the subjects. It means that the bacteria inside our intestines may create the novel protein

## Veerappa Moily Okays field trials of GM crops

Environment minister M Veerappa Moily cleared the file allowing Seed companies and agriculture research institutes to go ahead with scientific field trials of different transgenic varieties of GM crops which in spite of the Supreme Court's moratorium (on field trials) order.

A day earlier on February 26, agriculture minister Sharad Pawar spelt out the government's stand over the contentious issue while pitching for field trials. Agriculture minister also declared that the government will file an affidavit in the court seeking permission for field trials of GM crops. The next hearing in the case is scheduled for 14 April. Moily said he had cleared the file as the GEAC's decision was not bound by the Supreme Court's moratorium (on field trials) order.

The decision, which had been kept in abeyance by his predecessor Jayanthi Natarajan, will now allow companies and institutions to put more than 200 transgenic varieties of rice, wheat, maize, castor and cotton on field trials to check their suitability for commercial production. Though the GEAC in its meeting on March 22, 2013 had given approval for field trials of these 200—odd varieties of food and non—food crops, the then environment minister had decided to keep it in abeyance until strict regulatory mechanism and bio safety protection regime were put in place in the country.

The committee met again on March 21 and cleared the way for companies to conduct confined field trials on 11 varieties of controversial genetically modified (GM) crops, but said the trials will have to be cleared by the respective state governments first.

"All these cases were for revalidation," a senior environment ministry official said after a meeting of GEAC.

"Their validation had expired since the last time and these companies will now have to go to the states to get an NOC (no-objection certificate) before they can begin these trials," said the official, requesting anonymity.

Monsanto Co., the US-based seed company, was among the firms whose proposals were cleared by GEAC. More than 100 food crop trials are in the pipeline, in various stages of development, and the UPA's Biotechnology Regulatory Bill is set to lapse with the dissolution of the 15th Lok Sabha. Thus, the green light for trials, which comes just ahead of the elections, smacks of intense lobbying by major promoters of multinational companies of GM crop technology.

Andhra Pradesh, Gujarat, Punjab and Haryana have allowed confined field trials in the past, but Kerala, Tamil Nadu, Karnataka, Madhya Pradesh, Chhattisgarh, Bihar, West Bengal and Rajasthan have said they will not allow them.

Swadeshi Jagaran Manch strongly condemned the hasty, illegal and anti-people decision disregarding the fact that the matter is sub-judice under the Hon'ble Supreme Court of India that has clearly recommended a moratorium on these field trials to ensure bio-safety. Coalition for a GM Free India and Greenpeace condemned the Moily's action as "unscientific, anti-people and reeking of vested interests".

Greenpeace was equally critical of Moily's decision. Its campaigner Neha Saigal said, "This proves that the government has turned a blind eye to the growing scientific evidence on the adverse impacts of GM crops and the massive opposition to GM crops from around the country. The government has clearly chosen corporate interests over the interests of the people." □

## Indians consuming imported GM-processed food, says Parliamentary panel

**India** doesn't allow commercial cultivation of genetically modified (GM) crops but Indians may well be consuming GM processed food- knowingly or un-knowingly. A Parliamentary panel has brought this out in the open by pointing out shortcomings in the functioning of the Food Safety and Standards Authority of India (FSSAI), which has failed miserably to check import of such products.

Taking note of the government's response over various issues concerning GM food crops, the committee on agriculture - which submitted its report to Lok Sabha speaker on March 15 - pointed out that "there is no check on GM processed food and other items coming from outside the country or being produced here" in India.

It gave an example of cotton seed oil, produced in the country from Bt Cotton which is the only genetically modified crop allowed for commercial production. The cotton seed oil is, incidentally, widely used in India as cooking oil. After making its point, the panel - headed by CPM Lok Sabha MP Basudeb Acharia - also asked the government to "investigate the matter without further loss of time".

The panel's report comes at the time when the ministry of environment and forest (MoEF) is planning to keep in abeyance its controversial August, 2007 notification - which allows the import of GM foods into India without its prior permission - for another three or six months, beginning April 1. The required order will be notified by the ministry soon as the period of existing notification will expire on March 31. The ministry has continuously been keeping the notification in abeyance since February 2008. At present, any genetically engineered organism can be imported (either for research or for restricted lab trial) only after the prior permission Genetic Engineering Approval Committee (GEAC).

The ministry's order, keeping the 2007 notification in abeyance, has been in tune with what the Supreme Court's direction in response to a petition six years ago. The court had directed the ministry to put such order on hold till the controversial issue of transgenic crops is finally decided by it. The apex

court will begin its hearing on April 14.

### Panel slams Moily

Government's decision to allow field trials of genetically modified (GM) food crops has also come under severe attack of a parliamentary committee which criticized the environment minister M Veerappa Moily for giving his nod to this effect.

The panel suggested that any test should not be undertaken till the Centre puts in place all regulatory, monitoring, oversight and surveillance structure.

Referring to the recent decision of Moily and the government's regulator Genetic Engineering Appraisal Committee (GEAC), the panel on agriculture in its latest report said, "the Committee strongly deprecates this" as it is contrary to its earlier recommendation.

The panel, which has been looking into "prospects and effects" of cultivation of GM food crops in the country, in its report, noted that the government had failed to furnish proper replies to various questions raised during the committee's proceedings. It said any new "research and development" on transgenic varieties of crops should be done only in strict containment and field trials should not be undertaken till the government puts in place "all regulatory, monitoring, oversight, surveillance and other structures".

The parliamentary committee, headed by Lok Sabha MP Basudeb Acharia, also criticized the government over the composition of existing regulatory body, saying "it would be in the fitness of things, if GEAC is headed by a technical expert rather than by a bureaucrat". Referring to the GEAC's earlier decision in the case of Bt Brinjal, the committee asked how the regulatory mechanism had missed the 30% increase in "toxic alkaloid" in it and approved it for environmental release as all these developments could have devastating effects on environment and human and live stock health.

The Committee has, in its 59th report, also pointed out that "there is no check on GM processed food and other items coming from outside the country or being produced here" like cotton seed oil produced from Bt Cotton. □

inside by virtue of this gene getting into these bacteria. If it (novel protein) was allergic or toxic, it can potentially affect people in long term, even after the subjects would give up eating GM soyabean, or other GMOs. For instance, if the

antifreeze gene being attempted to be added from cold water fish, into tomato, to create frost resistant tomato would reach into the cells of the body or to bacteria in the gastrointestinal tract, or into the foetus of the consumer. How shall it

behave, is unpredictable. Though this attempt has now been dropped. But, the antibiotic genes being transferred into fruits and vegetables might create severe problem for healthcare if they would ever get transferred in the

human body. An expert panel of the World Health Organization (WHO) has also cautioned against the use of antibiotic resistant genes in genetic engineering.

Outcrossing (i.e. movement of alien genes transplanted into the GM crops into conventional crops or related species in wild) or mixing of crops obtained from ordinary non-GM seeds, with those grown from GM seeds, may have fatal effect on food safety and food security as well as on the bio-safety of the flora of the country. Traces of a maize-type, approved for cattle feed have also appeared in the maize products for human consumption in the US. A case on outcrossing has also been filed in a US federal district court in Manhattan. The plaintiffs are The Organic Seed Growers & Trade Association, representing family farmers, small businesses and organizations from within the organic agriculture community who were increasingly threatened from genetically modified seed contamination despite using their best efforts to avoid it. The plaintiff organizations have over 270,000 members, including thousands of certified organic family farmers. This case has *inter alia* asked whether Monsanto also has the right to sue organic farmers for patent infringement if Monsanto's transgenic seed lands on their property.

Contamination of the conventional crops from the GM has been occurring very

## Biotech stocks rise on govt nod to GM crop field trials

The stocks of biotechnology companies rose, with Monsanto India hitting the upper circuit. This followed the Genetically Engineering Approval Committee (GEAC) allowing field trials of 11 new varieties of genetically-modified (GM) crops. While the Monsanto stock jumped five per cent to close at Rs 1484.3 on BSE, Advanta and Bayer CropScience rose 3.93 per cent and 1.41 per cent to close at Rs 121.75 and Rs 1402.35, respectively. Rallis shares rose one per cent to Rs 162.65 per cent apiece.



### GREENER PASTURES

Share price on BSE in ₹

Company	March 21	March 22	%chg
Monsanto India	1,413.65	1,484.30	5.00
Advanta	117.15	121.75	3.93
Dhanuka Agritech	255.20	261.55	2.49
Nagarjuna Agrichem	4.92	5.00	1.63
Bayer CropScience	1,382.85	1,402.35	1.41
Meghmani Organics	8.09	8.19	1.24
Rallis	160.90	162.65	1.09
Kaveri Seed	592.50	598.85	1.07

Compiled by BS Research Bureau

Despite the GEAC clearing the field trials in March 2013, these were stopped after former environment minister Jayanthi Natarajan raised objections in this regard. This resulted in the expiry of validation and a change in the location of trial areas. The GEAC is scheduled to meet again on April 25 to consider new varieties of GM seeds for field trials. With the hasty approval, companies such as Monsanto and Pioneer Overseas will be able to recommence field trials of transgenic maize. Government-owned Central Research Institute of Dryland Agriculture will pursue trials of a GM variety of sorghum. Different varieties of transgenic rice from the University of Calcutta and Maharashtra Hybrid Seeds Company (Mahyco) will also be tested for field trials. While Monsanto is engaged in research in cotton and corn, public sector biotechnology firms are conducting research in vegetables, rice, wheat, potato and a number of oilseeds.

"The ministry's announcement is positive and will foster innovation and growth for the agri-biotech sector in India. The decision will certainly help in taking forward the ongoing research-and-development work on various transgenic crops," said Raju Barwale, managing director of Mahyco. Santosh Nair, chief executive, Camson Biotechnologies, said, "Many countries in Europe, West Asia, along with other developed countries, have shown a dislike for GMO seeds, as they feel enough work hasn't been done to establish the long-term ecological impact of these GMO seeds, especially on the environment and human health. This divide in the world has led many to believe in alternate solutions in the form of intragenic and cisgenic varieties, which are gaining wider acceptance and appreciation from the global farming community due to its safer technological process."

Ram Kaundinya, chairman of Association of Biotechnology-Led Enterprises and managing director of Advanta Seeds, said, "Research should be on for getting new information on higher crop productivity. The GEAC's approval for field trials of GM varieties will foster new era of growth in the Indian biotechnology sector." □



***Contamination  
of the  
conventional  
crops from the  
GM has been  
occurring very  
fast world over.***

fast world over, wherever the GM crops have been grown commercially or on trial in open. Mexico has already imposed a moratorium on new plantings of GM maize since 1998, though; it still allows the import of GM crops for consumption. Yet, the DNA from a genetically modified corn has been discovered in wild maize even on remote mountains in Mexico. Contamination of local corn varieties from genetically engineered corn in Mexico might even cause their extinction. If this diversity of local corn in Mexico is lost, future food security would be at stake. The GM contamination register of Greenpeace International and Green Watch UK has reported 26 instances of contamination of normal crops or food from GM crops, world over ranging from Saudi Arabia, Switzerland, Germany, Philippines, China, US, Slovakia, Finland, Belgium, France, Austria, South Africa, Netherland, Namibia, Romania, Italy etc., while many of these countries have a moratorium on GM crops. The case of the Star-Link Corn, a GM maize of the Aventis company is also worth mention here; wherein, this ill fated GM corn was alleged to have caused allergy in Japan and Korea which had to be recalled. The Aventis had to pay \$ 60 million (Rs. 400 crore at today's ex-

change rate) in damages in 2000 for contamination of taco shells (a food product). In the US, large farming companies can maintain separate inventories of GM and non GM crops. Shall it be feasible for small illiterate Indian farmers and traders in India to maintain segregate inventories?

Since, in all the GM crops, an alien gene from any other plant, animal or micro-organism is transplanted to impart an attribute of that alien species; the pollen grains of the GM crops bearing that alien gene can contaminate the germ plasm of the neighboring flora (including normal crops or a related wild specie), through cross pollination. Hundreds of plant varieties have already been engineered by importing genes from other plant or animal species. For example, a frost resistant tomato is developed by transplanting the gene of cold water fish, which gives cold resistance to that fish. Likewise, the genetically modified B.T. Cotton which is resistant to boll-worm is developed by transplanting the gene from bacteria, *Bacillus Thuringiensis*, which produces a toxin capable to kill the boll worm that attacks cotton crop. This toxin producing gene might also reach our food chain by cross pollinating any food crop. Though It does not happen normally, but cannot

be altogether ruled out in the years to come. Any mutation, either benign or malevolent, may also occur in the GM crops and this mutation, if takes place and the malevolent mutation can contaminate the neighbouring vegetation silently with that malevolence. The mutation may occur within next generation or may not occur for millenniums to come. Since, a mutation can neither be predicted nor be ruled out in the GM crops, or even in the vegetation contaminated by the pollens of the GM crops, scientists recommend the use of terminator technology for GM crops. So, the chances of mutation as well as contamination of the neighbouring vegetation, by cross pollination are totally ruled out. But, if terminator seeds are sown, their off springs lack capability to germinate, the farmers would not get seeds from their crops reaped from terminator technology based seeds. So, the farmers sowing terminator seeds, would be deprived of their seed wealth. In India, the poor farmers cannot afford to buy the costly patented seeds every year. So they would have no option, except to go for contract farming for the seed producing foreign multi-national companies (MNCs).

Thus in view of all these severe repercussions, the permission granted for the trial of these GM crops be withdrawn and meanwhile, no state government should allow these trials within their territories. The states like Haryana, Maharashtra, etc, which are being reported to be having no objection to such trials may also clarify their stand for a moratorium on the trial of GM crops without effective regulatory safeguards. □□

## Stop open air field trials of GM crops; SJM urges state CMs

Swadeshi Jagaran Manch in a letter to all the Chief Ministers of India has urged them to stop open air field trials of GM crops. Referring to the clearance given by the Union Minister of Environment to scientific field trials of more than 200 hundred different transgenic varieties of GM crops, including GM varieties of crops like rice, maize etc across the country, the letter says 'permission of these field trials has been given against policy directions from apex bodies'. It goes on to say that 'the Parliamentary Standing Committee on Agriculture in its report on GM food crops- prospects and impacts, tabled in the parliament on 9th of August, 2013 this year has clearly recommended the 'stopping of all field trials under any garb'. This is because the committee after detailed deliberations and consultations with various stakeholders was convinced about the potential of GM crops to human health, that of livestock and biodiversity and the possibility of field trials to contaminate our regular crops and our food supply'. Pointing out the concern about inadequacy of the current regulatory system to assess the safety of GM crops and its ability to safely conduct field trials, the letter recalls how 'Supreme court appointed Technical Expert Committee comprising of eminent scientists from all relevant fields in their final report also had highlighted the inher-

ent risks associated with open release of GM crops and the absolute failure of the regulatory mechanism in India and strongly recommended against any open release of GM crops including for field trials until a robust regulatory mechanism is put in place".

The letter adds that the "former Union Minister of Environment & Forests Jayanthi Natrajan refused to sign the file; and had earlier written to the PMO saying it was not feasible as the issue was pending in the Supreme Court. However the present incumbent in the Ministry of Environment and Forests has chosen to grant permission to the scientific field trials of more than 200 hundred different transgenic varieties of GM crops, including GM varieties of crops like rice, maize etc across the country. Not only that, the Union Minister of Environment & Forests has chosen to disregard the

recommendations of the Parliamentary Committee and Supreme Court; the permission granted involves environmental, scientific, health and federal issues."

Other issues with regard to GM trials, that the letter raises are:

1. The local panchayats/gram sabhas are not consulted for a prior informed consent about Field trials, nor are farmers (on whose fields trials are done) and the neighbors.
2. Bio safety violations have been found repeatedly in field trials – isolation distance not always maintained – Kolhapur GM maize trial; Guntur Bt okra trial; Jharkhand Bt rice trial; West Bengal trials etc., are some instances.
3. Regular contamination has been happening of food/supply chain from such field trials: Even during Bt cotton field trials (RFSTE findings); later, with Bt brinjal and Bt okra (CSA findings).



## Monsanto's unproven 'healthier environment' ads banned in South Africa

The Advertising Standards Authority (ASA) of South Africa has ordered biotech titan Monsanto to withdraw its ads on local radio in which the company boasts the supposed benefits of GM crops, including a "healthier environment" and "more food sustainably."

The authority's order for Monsanto to withdraw its commercial on Radio 702 will take immediate effect, according to a press release on the entity's website. According to the ASA, the claims made by the leading producer of genetically engineered crops are unsubstantiated. The move follows a complaint to the ASA lodged by the African Centre for Bio safety (ACB) about the commercial.

In the ads, the agricultural giant claims that GM crops "enable us to produce more food sustainably whilst using fewer resources; provide a healthier environment by saving on pesticides; decrease greenhouse gas emissions and increase crop yields substantially." The complaint was supported by Judith Taylor from the environmental & anti-nuclear organization Earthlife Africa, according to the ASA. Monsanto responded to the complaint but was unable to provide input from an independent and credible expert confirming the ostensible benefits of GM crops, as is required by South African advertising law.

The ASA has warned Monsanto that "it should ensure that it holds proper substantiation for its advertising claims" or risk the expansion of further sanctions on the company – the products of which have already been banned in several countries.

France is among those countries which have enacted a recent ban. The nation's agricultural ministry banned the sale, use, and cultivation of Monsanto's genetically modified maize MON 810. France insists that GM crops pose significant environmental risks. Another ban was imposed by China when the country last year refused no fewer than five shipments of American corn allegedly over concerns that it could have been tainted by a biotech variety of the crop. □

Volunteer plants tested positive in Jharkhand (Gene Campaign's lab testing for Bt rice).

4. No destruction of GM material as prescribed. (Recent violations in a Monsanto GM maize plot in Bijapur, for example)
5. Information on trial not given to farmers, Panchayat or State Govt. (in AP, WB, Bihar, Chhattisgarh)
6. There have been instances of planting before permission is issued (Andhra Pradesh government's RTI confirms this, as also an inquiry by Chattisgarh).
7. Data collection is not as per prescribed norms/frequency as
8. In the case of GM rubber trials permitted in Kerala and Maharashtra (in bio-diverse and eco-fragile regions), no protocols for GM tree trials were in place. The guidelines for annual GM crops were repeated reflecting the casual and lackadical attitude of the regulators towards biosafety.
9. Conflict of interest continues in decision-making. DBT funds several agencies for transgenic research and also entertains their applications and becomes the

has been seen in the case of Bt brinjal trials, as acknowledged by the Expert Committee.

decision-making body for approvals, for instance.

Swadeshi Jagran Manch asserts that 'There is nothing additional that the Union Minister for Environment and Forests, Veerappa Moily has, as scientific evidence in favor of the technology, nor in terms of monitoring capabilities and containment mechanisms'. Hence this sudden decision to approve hundreds of field trials of GM crops, including many staple food crops is unscientific, anti people and reeks of vested interests for this state to go in for open air field trials.

In 2011 March, the Ministry of Environment & Forests adopted a new norm that requires all open air field trials of GMOs (crops/trees etc) to be allowed only after getting a No Objection Certificate/Clearance (NOC) from the concerned state government. Many states have time and again expressed concerns about GM field trials and the adverse consequences, and numerous states have decided against the entry of the controversial technology in their states, and have decided not to give NOC for field trials.

The letter signed by Dr. Ashwani Mahajan, All India Co-convenor Swadeshi Jagran Manch asks the state Chief Ministers not to allow field trials of GM crops in their respective states and requests them to issue a statement from their governments in this regard. It says, "In view of the serious risks and myriad problems associated with open air field trials of GM crops and total lack of capabilities and unbiased interest by the regulators and with the trust that you will stand for safeguarding of citizens health, environment and livelihoods of our farmers." □□

# Indian Scientist Slams Biotech Industry over Deadly Kidney Disease Epidemic

## Swadeshi Samvad

Chronic Kidney Disease of Unknown origin (CKDu) is affecting several poor farming regions around the world. In Sri Lanka alone CKDu now afflicts 15% of people of working age in the Northern part of the country; a total of 400,000 patients with an estimated death toll of around 20,000.

This worrisome information is provided by Dr Channa Sudath Jayasumana, Lecturer of Pharmacology at Faculty of Medicine, Rajarata University in Anuradhapura in a recently released study in the International Journal of Environmental Research and Public Health that proposes a link between the world's number one selling herbicide known as Roundup (aka Glyphosate) and the series of mysterious epidemics of fatal CKDu.

CKDu, the major health issue in the rice paddy farming areas in Sri Lanka, has been the subject of many scientific and political debates over the last decade. Although there is no agreement among scientists about the etiology of the disease, a majority of them have concluded that this is a toxic nephropathy. None of the hypotheses put forward so far could explain coherently the totality of clinical, biochemical, histopathological findings, and the unique geographical distribution of the disease and its appearance since the mid 1990s.

The strong association of the consumption of hard water and

occurrence of CKDu has been subjected to many discussions among investigators. The study has explained the association by using glyphosate, the most widely used herbicide in the disease endemic area. The strong metal chelating property of glyphosate and related compounds is a well-known fact. However, the human health effects of glyphosate-metal complexes have not been given any serious consideration by investigators for last four decades.

Huge advertising campaigns by glyphosate as the best ever herbicide discovered by mankind, reiteration of the easily degradable nature of the original compound in a natural environment and the difficulties in the laboratory detection may have been the reasons for this delay. Results being produced through the current study that is ongoing in the California State University, Long Beach are highly supportive of this hypothesis.

Stability of glyphosate metal complexes in various environmental conditions and nephrotoxic properties of the compound should be the subjects of further investigation.

It is logical to find out other agricultural areas in the World where excessive use of glyphosate and drinking ground water with high hardness and the contamination of ground water and food with nephrotoxic metals have over-

lapped in causing kidney damage

**In an interview to Sustainable Pulse Dr Channa Sudath Jayasumana, explains** that In Sri Lanka the disease was first noticed in 1994 at a rice paddy farming colony named Padavi-Sripura and located 350 km North East of the capital city, Colombo. The unique epidemiological feature of CKDu has commonly known risk factors for CKD such as diabetes mellitus, hypertension and glomerular nephritis is not seen in these patients. Young to middle aged (30 to 50 year old) men with low socio-economic backgrounds are predominantly affected. Epidemiological studies have shown that the disease is related to paddy farming with extensive use of pesticides and chemical fertilizers.

**Dr Channa Sudath Jayasumana says that** 11 countries on 3 continents including Andhra, Orissa (Odisha) provinces of India besides Sri Lanka, Pacific coast of Central America- El Salvador, Costa Rica, Nicaragua, Honduras, Guatemala and Southern Mexico, Africa – Egypt, El Minia Governorate, Upper Egypt, Tunisia and Vietnam-Mekong river basin are affected.

It may be noted that Adverse impact of GM Crops is well documented and a compilation of the more than 450 scientific papers on these has been recently published that can be accessed at <http://indiagminfo.org/?> □

# Field-trial permission of GM crops Violation of model code of conduct: SJM

**Swadeshi Jagaran Manch** in a memo to the Chief Election Commissioner of India has urged him to stop open air field trials of GM crops. SJM has pleaded that the clearance given by the Union Minister of Environment to scientific field trials of more than 200 hundred different transgenic varieties of GM crops, including GM varieties of crops like rice, maize etc across the country, the letter says 'permission of these field trials has been given against policy directions from apex bodies' just a few days before the elections were announced and is a clear violation of the model code of conduct.

The memorandum submitted by Dr. Ashwani Mahajan, All India Co-Convener of SJM reads:

We would like to bring to your notice the fact that the Union Ministry of Environment and Forests, Government of India, has violated the model code of conduct and might affect the outcome of the upcoming National elections. Genetically Modified (GM) crops, as you may be aware, is being opposed across the country and globally also due to their potential adverse impacts on human health, environment as well as farm livelihoods. Adverse impact of GM Crops is well documented and a compilation of the more than 450 scientific papers on these has been recently published that can be accessed at <http://indiagminfo.org/?p=657>.

The promoters of this technology are seed companies who stand to gain immensely from royalties as well as control of seed markets through this patentable technology. The stocks of these biotechnology companies rose, followed the Genetically Engineering Approval Committee (GEAC) decision allowing field trials of 11 new varieties of genetically-modified (GM) crops.

The growing scientific evidences as well as recommendations from the Parliamentary Standing Committee on Agriculture as well as the Supreme Court appointed Technical Expert Committee (TEC), which was made up of eminent experts from various fields had convinced the previous minister for Environment and Forests, Smt Jayanti Natarajan to withhold all open releases of GM crops including those in the name of experimental field trials until the hon'ble Supreme Court takes a final view on the matter in its next hearing slated for the 14th of April,2014. Instead of following this responsible position the government replaced Jayanti Natarajan with Sri Veerappa Moily who has gone ahead with a promotional pitch for GM crops.

That Mr Moily approved hundreds of field trials of GM crops just before the election commission was to declare the National election dates and put in place the model code of conduct is more contemptible. The committee met again on March 21 and cleared the way for companies to conduct confined field trials on 11 varieties of controversial genetically modified (GM) crops, but said, "All these cases were for revalidation. Further Biotechnology Regulatory Bill is set to lapse with the dissolution of the 15th Lok Sabha.

Thus, the green light for trials, which comes just ahead of the elections, smacks of intense lobbying by major promoters of multinational companies of GM crop technology. The government has clearly chosen corporate interests over the interests of the people. We strongly believe that this is being done at the instruction of the current government and there is quid pro quo benefits that the ruling party and the minister in charge might have accrued during the election period. Needless to say, this will have an impact on the outcome of the election process.

Given this circumstance we urge you to direct GEAC and the ministry of Environment and Forest to withhold permissions for those field trials that have been granted and also to stop granting of permissions for any field trials in the upcoming meeting tomorrow until the election process are over and results declared. We look forward to your immediate intervention as what is at stake is not just the sanctity of democratic processes but also the future of food, farming and environment of our country. □□

# Loot of Public money by Corporates



*While the R.B.I. and the Finance Ministry are hesitating to take stringent action against big defaulters including filing criminal cases and naming and shaming of big borrowers and willful corporate defaulters, they are leaving no opportunity to increase service charges on poor customers of the banks, finds Prof. B.M. Kumaraswamy*

In the Free Market era, in India, the corporates are eulogised as the engine of economic growth and harbingers of development and modernisation of the country. The central government in the past 10 years has placed its fisc liberally at the disposal of the corporates. In spite of all these, it is horrifying to learn that the corporates have indulged in looting public money by defaulting and defrauding the banking system in general and public sector banks – P.S.B.s - in particular.

Indians, by tradition are one of the highest savers in the world. They keep most of their savings with public sector banks. For instance for the last three years, since 2011, P.S.B.s have accounted for 78% of all deposits and 76% of all loans. Corporates have been the largest beneficiaries of the P.S.B.s funds. In spite of this, it is horrifying to find that the corporates are indulging in undermining their main source of funds through systematic loot.

The All India Bank Employees Association (AIBEA), has recently lifted the lid of the can of worms. It has in a bold press release issued on 5th December 2013 on the occasion of their ALL INDIA DEMANDS DAY, revealed to the nation, how the corporates are looting public money from the Public Sector Banks. It has revealed the alarming increase in bad loans (N.P.A.s) in Public Sector Banks which it alleges as mainly due to the big and corporate borrowers.

A.I.B.E.A. in its press release dated 5th Dec. 2013 reveals that the bad loans in P.S.B.s has shot up from Rs. 39,000 crores in March 2008 to Rs. 1,64,000 crores in March 2013, i.e. by Rs. 1,26,000 crores over the 5 year period. Bad loans of P.S.B.s have increased at an annual average rate of Rs. of Rs. 25,000 crores over this period. If the bad loans of Private Sector Banks and foreign banks are included, the aggregate bad loans of the Indian Banking System for 2013 amounts to Rs. 1,94,000 crores. P.S.B.s account for 84.5% of bad loans. The press release points out that fresh bad loans accumulated by the P.S.B.s in the last 7 years was Rs. 4,95,000 crores.

## Pigs with Lipsticks

The Bank managements indulge in restructuring certain bad loans to make them appear as good loans. The A.I.B.E.A. statement reveals that in 2013 such

restructured loans amounted to a huge Rs. 3,25,000 crores. Rs. 2,70,000 crores or 83% of the restructured loans belonged to the corporate borrowers.

Regarding the practice of debt restructuring Dr. Raghuram Rajan the R.B.I. Governor has rightly remarked “you can put lipstick on a pig but it does not become a princess.” The number of such ‘pigs with lipsticks’ in our P.S.B.s is increasing alarmingly. A.I.B.E.A. statement reveals the names of 50 top defaulters who owe Rs. 40,428 crores to the banks.

## Top 11 Bank loan Defaulters

NO.	NAME	Loan not repaid Rs. Crores
1.	Kingfisher Airlines	2673
2.	Winsome Diamond & Jewellery Co. Ltd	2660
3.	Electrotherm India Limited	2211
4.	Zoom Developers Private Limited	1810
5.	Sterling Bio Tech Limited	1732
6.	S. Kumars Nationwide Limited	1692
7.	Surya Vinayak Industries Ltd.	1446
8.	Corporate Ispat Alloys Limited	1360
9.	Forever Precious Jewellery & Diamonds	1254
10.	Sterling Oil Resources Ltd.	1197
11.	Varun Industries Limited	1129
	<b>TOTAL</b>	<b>19,164</b>

Top 11 defaulters who owe more than Rs. 1000 crore each, together account for Rs. 19,164 crore. It is 47% of the aggregate bad debts of top 50 defaulters.

There are 7295 accounts who owe more than Rs. One crore each, who together account for Rs. 68,000 crore.

### Loan write offs

Loan write off is another convenient trick followed by bank managements to allow the corporate looters to go scot free with their loot. The AIBEA statement reveals that a debts amounting to Rs. 1,40,266 crore was written off by P.S.B.s during the period 2008-13. Most of these loan write offs

were in favour of big defaulters and corporate borrowers.

Banks are required to keep a part of their profit as provisioning to cover bad loans. With growing bad loans, the burden of provisioning on Banks profits is also rising. The provision made by P.S.B.s for bad loans from the profits has grown from Rs. 11,121 crore in 2008-09 to Rs. 43,102 crore in 2012-13. A rise by 387% over a 4 year period. The total provisioning for bad loans over the period 2008-13 is a staggering Rs. 1,40,266 crore.

### Rising vulnerability of Banks

With increasing bad loans the banks are not able to create adequate cover through provisioning.

Thus the provision to coverage ratio of P.S.B.s is rapidly falling, exposing the banks to greater risks and vulnerability.

While the global average provision to coverage ratio is 70% to 80%. The ratio in the Indian banking system has fallen from 55% to 45% as reported by the R.B.I.

### Penny wise - Pound foolish

While the R.B.I. and the Finance Ministry are hesitating to take stringent action against big defaulters including filing criminal cases and naming and shaming of big borrowers and willful corporate defaulters, they are leaving no opportunity to increase service charges on poor customers of the banks.

The A.I.B.E.A. has done invaluable service to the nation and particularly the Banking industry, by revealing the horrible state of affairs in the country's banking system and the real face of the pigs with lipsticks. The AIBEA has put 6 demands before the R.B.I. and government and demanded quick action.

They are,

- 1) Publish the list of bank loan defaulters of Rs. 1 crore and above.
- 2) Make willful default of bank loan, a criminal offence.
- 3) Order investigation to probe nexus and collusions.
- 4) Amend recovery laws to speed up recovery of bad loans.
- 5) Take stringent measures to recover bad loans.
- 6) Do not incentivise corporates delinquency.

The new government will have to fulfill the above demands on priority to stem the rot set in our banking system in the last 10 years. □□

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## UPA failed – BJP is the alternative?

Indians will be voting for their new Lok Sabha representatives. Indian democracy is important and the elections clear the doubts in the minds of ruling elite and their allies that India is not their kingdom and they will not be ruling this country forever. Elections put a check on the rulers as also give an opportunity to Indians to change the guard for better governance and better policies of development. It is true that Indians voted in fifteen Lok Sabha elections and made choices of their representatives. These representatives, most of the time, failed to meet the expectations. Once they even tried (1975) to throw Indian representative democracy in dustbin. But Indians are known for their patience and tolerance and rarely get disturbed by such betrayals by representatives. They are enthusiastic enough to stand again and participate in elections with festivity. This year's elections will not be different. The issue however is of their choice and whether their voting will result in decisive mandate for a party that talks of development for all or give a fractured mandate that allow parties to develop divisive vote banks.



*The Indian voter, may be unorganized and isolated but is mature enough. And this maturity is the real hope of Indian representative democracy, believes*  
**Anil Javalekar**

### Large number of Candidates and parties confuse voters

The tragedy of Indian elections is that Voter has to make a choice from large number of candidates. Many are independent having no national approach and some are dissidents or dummies. Data of Election commission shows that the number of candidates contesting each election steadily increased. The average number of candidates in each constituency in the general election of 1952 was 3.8 which increased to 16.3 in 1991 and further to 25.6 in 1996. The election commission took certain remedial measures in August 1996 like increasing the size of the deposit and making more number of people nominating a candidate to minimize the number of contesting candidates. The number of candidates came down to an average of 8.74 per constituency in 1998 Lok Sabha elections to 8.6 in 1999. However, it again increased to 10 in 2004 and 14.86 in 2009. The number of political parties is also not less. There were about 363 political parties which took part in 2009 elections and among these only seven were national and 34 were state level parties.

This makes Indian elections difficult for Voters as all parties and Independent candidates have different agendas and conflicting approaches and policies. More than this, Indian political parties and their allies allegedly manipulate voter's mindset not only by alluring offers and confused policy options but also by creating fear psychosis among people of different religion and casts to gain votes.

### Political agendas and strategies lead the campaign

The real agenda for election is decided



by Political parties. Their manifestoes content is only the intent of the policies and programmes of parties. More important are their strategies to win elections and these are normally revealed in their selection of candidates and making of political alliances as also constituency wise offers alluring socio-political electorates. Above all, the symbolism and identification with Socio-religious-cultural background of the voters through vote bank politics and emotional appeals on the basis of dynastic attachments and sacrifices are major strategies. Among these conflicting approaches, agendas and strategies of political parties and candidates, there is an Indian voter-unorganized and isolated but matured enough. And this maturity is the real hope of Indian representative democracy.

### **Real contenders are only two Parties- BJP and Congress**

There are national political parties and there are regional parties. There are also parties with localized identity and specific agenda as also independent candidates contesting election for somebody or simply for cutting somebody's votes. Though almost all parties claim that they have national interest in mind and have national approaches, only BJP and Congress can be said as leading national parties and probably one of them will form the next government. Other parties who form third or fourth front at the time of elections intend to take positional advantage after election results. They oppose BJP (NDA) and Congress (UPA) before and during the elections and go with the winner after election results. AAP, another new political outfit, initially gave hope but lost

its credibility soon. Many so called celebrities are contesting elections under its banner for self aggrandizement and have sidelined AAP's most founder member activists. The Party has no national vision and seems interested only in making India politically unstable. The real contenders therefore are BJP and Congress and will actually be fighting elections to win and form the government.

### **India needs stability and stable Socio-economic policies**

The stable political governance is prime factor and India cannot afford frequent elections. Therefore, first priority for Indian voters is Political stability and they need to vote those parties and candidates who can provide the stable political governance. It is to be remembered that the world has changed in regard to its economic progress but still dominated by countries having military power, technology innovations, strong globally accepted currencies and capital intensive industrial capabilities that creates and serves the demands of modern world. India can gain from world progress and achieve economic prosperity sufficient enough to become economic power only if it pursues long term stable economic policies that are definite in approach and gives clear signals to foreign capital and foreign technology. Moreover, India needs to participate in world trade or world socio-politico-economic affairs for protecting its own interests. In the present circumstances only NDA led by BJP or UPA led by Congress are capable political alliances that can give required political stable governance and stable socio-economic policies. The regional parties

have limited vision and other Small parties including AAP mostly dwell on just one or two isolated issues like corruption or cheap electricity/ water with no national vision. These parties take partisan approach to development and endanger the stability of Indian economic policies. Indian voters normally ignore independent candidates and small parties as most forfeit their election deposits (94% in 2009 elections). Hope Indian voters will prefer national parties that are capable of forming stable government this time also.

### **UPA led by Congress got two terms and failed**

UPA led by Congress has got two terms in 2004 and 2009 but failed on most fronts. Failure of Congress is more tragic because it sees no hope for many of the crisis problems and call for expertise, capital and technology from developed world for rescue. The crisis is mainly because of its belief in outsourcing Indian development and sacrificing self reliance. Its focus on illusory policies of inclusive growth and financial inclusion rather than planned development has increased fiscal deficit and inequality. Its policies also endangered Indian village and cottage industry due to flooding of China goods in Indian market. Above all, Indian courts were to intervene frequently as UPA government was not following the basic rules of governance.

### **i. Failure to give strong and able leadership**

Its first failure is to give strong and able leadership. The congress is a party that took many shapes since independence with many splits and still major chunk of workers

remained loyal to Nehru family. And this family preferred loyalty over ability while nominating Prime minister and other ministers. Result is corrupt polity and failing governance. The intention was to keep PM position filled with a loyal person who can simply vacate it for Nehru family heir as and when the heir emerges as leader and ready to take over. The waiting period was long and India lost a great time in between.

### ii. Failure to respect representative democracy

The Proxy leadership with actual authority outside the governance system has led to many embarrassing situations for Indian government as was evidenced by the behavior of Mr Rahul Gandhi, a dynastic heir, when he, in a press conference, sealed the fate of ordinance that was to negate Supreme Court's decision barring criminals from electoral politics. Similarly, he asked PM to increase the number of subsidy gas cylinders in a party meeting. This showed disregard and disrespect to the Indian representative democracy. It also exhibits the belief of a national party that considers India as a kingdom of one family.

### iii. Failure to give good governance

Failing governance became the identity of UPA. Governance is key to success of polity and very much important for a democratic country. The Economic reforms and liberalization of policies should have increased the efficiency of governance. Instead it led to mafia raj and loot of Indian natural resources. Moreover, UPA leadership remained arrogant and not responsive to people's movement



***UPA ignored the need for transparency & accountability.***

against corruption. It failed to carry out socio-political reforms that were necessary to make all democratic and other supporting institutions dutiful and transparent. More than that, UPA ignored the need for transparency and accountability of political and administrative systems including that of police and other investigative agencies.

### iv. Failure to control price rise

The price rise has made middle class adjust their rising spending within their dwindling income and almost made poor people cry. The price rise was not because of low production. Indian agriculture ministry boast for maximum production of food grains and other agriculture produce. The price rise was not limited to agriculture commodities but to all goods and services including the passenger fare of railways and public transport. UPA government practically did nothing to contain the prices except that of blaming world.

### v. Failure to make Indian economy self reliant

Indian economy is facing its worst crisis and government's financial position is bad. **First**, UPA could not maintain government expenditure within its income. **Second**, it could not handle Indian foreign trade so as to make it beneficial to the country and faced

continuously the problems in balance of payments. **Third**, UPA made Indian small and village industry vulnerable by allowing cheap imports particularly from china. **Fourth**, it failed to pass on the benefits of agriculture progress to small and marginal farmers as some continued committing suicides. **Fifth**, UPA sold out Indian self reliance and made India more dependent on foreign capital and foreign technology.

### BJP is the alternative

India needs to be politically strong so as to fight terrorism and stand to unwanted international political and economic pressures. India also needs to come back to its economic self reliance policies for that alone can make India an economic power. The task is tough and need strong political party in Government. Presently, BJP seems better placed. Their Prime ministerial candidate Sri Narendra Modi is an experienced leader with a proven background. BJP also stand for swadeshi and is proposing development for all instead of development that nurse divisive vote banks. BJP is also seen as accommodative enough to adjust with small regional parties for national cause. Therefore, in the present circumstances, BJP is the alternative and deserve a chance. □□

Gas Price Hike

# Mounting loses to cause all-round inflation and slow down economy



*The comptroller and auditor general in its report says RIL has breached some terms of production sharing (PSC) contract with the government for more lucrative blocks and blamed the petroleum ministry for its failure. It adds that the current PSC encouraged companies to reduce the share of government in the profits by skewing expenditure bill, Finds Shivaji Sarkar*

The gas issue is taking interesting turn. The government refuses to cancel the contract with Reliance pending arbitration. Minister for petroleum Veerappa Moily remains firm on increasing price to \$ 8.4 per million BTU (MBTU). There are provisions for further price increase to \$ 13.8 per MBTU. It is almost a continuous process of mounting losses on the nation. Reliance itself in the court has said that its production cost was \$ 1.43 per MBTU. Meanwhile, according to reports, Reliance has started drilling wells in D6 though so far it has yet to get environmental clearance. Apparently after years of dillydallying, the company has started its work despite issues remaining in arbitration.

This has also drawn flak from the public sector ONGC. It has complained that reliance has dug a well just 200 metres from its operational well in the Krishna-Godavari (KG) basin. The ONGC has virtually said that its gas would be robbed. Interestingly enough, ONGC has not said a word on the gas price hike. It wants to sail on about Rs 16,000 crore additional profits due to the price hike. According to ONGC, its production cost is around \$ 3.6 per MBTU.

The price hike is ominous because it would increase subsequently transportation, fertilizer production and many other costs. The impact would be an overall inflation and unnecessary heating up of the economy particularly at a time when the industry is grappling with the high costs and fall in demand in the market. It would not be easy for the new government either to roll the prices back or contain inflation. The Power and Fertilizer Ministries have already expressed concern over the hike in gas prices and their adverse impact on power tariffs and fertilizer cost.

This would increase outflow of in terms of subsidies for the power and fertilizer by Rs 400,000 crore. It would immediately double LPG cost of cylinders and increases risk to 28,000 mw of installed capacity of gas-based plants.

The Reliance profits simultaneously increases by Rs 75,000 to rs 100,000 crore.

There have been questions as to why the price of petroleum products produced in the country and used for domestic purposes pegged at international level. It is having a severe impact on the economy. It appears that the policy orientation is not pegged at benefit to the nation but is limited to the profits of some companies.

It needs a change so that the entire economy could benefit from domestic production and help costs and subsequent market prices remain at low level.



Former principal adviser (power & energy) Surya Sethi has pointed out in his article in *The Hindu* that nowhere in the world is the price of well-head gas linked to the price of liquefied natural gas. He has also pointed out that the spot price in the Henry Hub Terminal today is \$3.77 per MMBTU and this is also higher than the well-head price of gas in the US. In Gulf countries, the price of gas is only \$ 1 per MMBTU, in Egypt \$ 2.57, in Nigeria \$ 0.11, in Australia \$ 5 and in Indonesia around \$ 1.

The gas price hike was protested by BJP leader Yashwant Sinha in July 2013. As chairman of standing committee on finance, Sinha had suggested rethink on prime minister's advisor C. Rangarajan, committee formula that had advocated the hike. Sinha did not find any substance in the Rangarajan committee recommendation for fixing domestically-produced natural gas price at an average of international hub prices and cost of imported LNG instead of the present mechanism of market discovery. The committee considered it a default and not failure. There is no punishment for default except cancellation of the contract, according to Moily.

Communist party of India MP Gurudas Dasgupta has said that the Moily formula was for continuous rise and the price of \$ 8.4 is not the final price as RIL had demanded a price of \$ 13.8 MBTU in due course. He says it is to benefit the private company and increase government's subsidy burden by Rs 76,000 crore for importing it.

In fact, the story of the high price of Reliance gas — \$4.2 per Million BTU (MBTU) — had be-



gun in 2007, when it was sent by the Empowered Group of Ministers (EGOM) headed by Pranab Mukherjee.

Reliance itself admitted in the court case between it and NTPC/ Anil Ambani Group that its production cost was \$1.43 per MBTU. Reliance Industries Ltd. (RIL) had initially agreed to supply gas at \$2.34 to both NTPC and Anil Ambani Group, which it subsequently reneged once the EGOM set the price at \$4.2. It might be noted that by its own calculations, RIL would have made profits of 50 per cent if it had supplied gas at \$2.34.

The oil ministry and RIL have locked horns over the reasons for a sharp decline in gas output from KG-D6 block for last three years, virtually since 2009. Output from D1 and D3 gas fields in the block fell sharply after achieving about 62 million metric standard cubic meters per day about three years ago. The fields are currently producing less than 10 mmscmd gas, which is far below the peak output of 80 mmscmd.

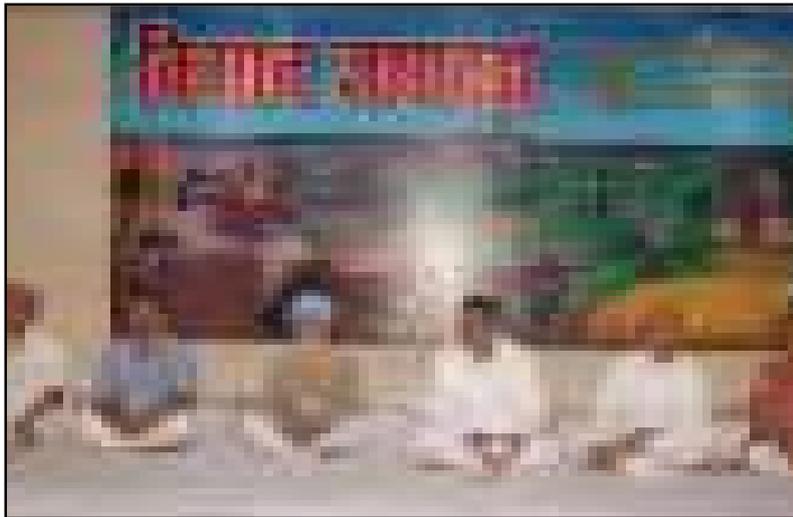
Moily's predecessor S Jaipal Reddy had in May 2012 slapped a penalty of \$ 1.005 billion on RIL

### ***The oil ministry and RIL have locked horns over the reasons for a sharp decline in gas output from KG-D6 block.***

for lagging behind in gas productions. Reddy had commented that the company by not producing the gas was virtually hoarding it. The RIL disputed the penalty and arbitration was initiated. However, no similar notice seeking fines has been issued for 2012-2013 — even though Reliance has admitted that its gas production will reach only 1.847 trillion cubic feet, against a target of 2.957 trillion cubic feet.

The comptroller and auditor general in its report said RIL had breached some terms of production sharing (PSC) contract with the government for more lucrative blocks and blamed the petroleum ministry for its failure. The CAG also said that the current PSC encouraged companies to reduce the share of government in the profits by skewing expenditure bill. □□

## Electoral Agenda for our Farmers



Race is on among political parties to collect votes of the farmers. Parties are offering goodies like easy loans. This will not do. The main problem of farmers is that they are not getting remunerative prices thanks to the skewed import-export policy of the Government. Policy is to allow import of agricultural goods whenever domestic prices are high. This leads to lowering of domestic prices and farmers are deprived of the profits they could make in absence of imports. On the other hand, exports are prohibited when

production is high and domestic prices are low. Again losses due to low prices are imposed on the farmers.

The consumer gets agitated about the increase in prices of vegetables such as onions and tomatoes. He does not realize that this is a small problem. He is getting much larger benefits from imports of pulses and edible oils. The cost of production of these items in our country is high and their price is being controlled by cheap imports. We have to decide whether we want cheap tomatoes or pulses. If we become part of the global market then we will have to bear increased prices of tomatoes but we will get cheap pulses. If we want cheap tomatoes then we must be ready to pay more for pulses. The increase in price of vegetables is of a short term nature. There is a year-to-year variation in production of vegetable crops which leads to sudden spurts in prices sometimes. The benefits reaped by us from cheap imports of pulses and edible oils, on the other hand, are of a long term nature. The cost of production of these items is high in India hence we stand to reap benefits year after year from their imports.

The Government has implemented a policy of providing agricultural subsidies on fertilizer, electricity and water; and restricting exports in order to contain domestic prices. I think this is counterproductive. Provision of subsidies brings down the prices temporarily—only as long as the subsidies are in place. Revenues of the Government are used up in provision of subsidies and public investment in roads, testing labs, cold storage and seed improvisation suffers. The cost of production remains high in absence of these investments. As a result the consumer is forced to pay more for the produce year after year. I had opportunity to visit a farm in the United States a few years ago. They had mapped the soil profile of every field in plots of 10 feet by 10 feet. This data was fed into the computer. The tractor would then dispense fertilizers depending upon the profile of each small plot. In this way every plant got the required dose of fertilizer, yields were high



*We were told that the WTO would open up the global markets for our farmers. The opposite has happened. The WTO has led to opening of our markets to cheap imports but our farmers are unable to sell in foreign markets, explains*

**Dr Bharat  
Jhunjhunwala**

and cost of production was less. Such technological improvements are not taking place in India because Government revenues are being consumed in the provision of subsidies.

There is a similar impact of export restrictions. Exports take place when prices in India are less and those in the international markets are high. Restricting exports means that we are preventing our farmers from making profit from higher international prices. Competitors in other countries get the higher prices, however. Our competitors are able to make investments in controlled spread of fertilizers, tissue culture, and other technological advances. Our farmers have to continue with old practices because they do not make the profits required to make these investments. The present policy of provision of subsidies and imposition of export restrictions is counterproductive because it provides short term relief while it imposes long term pain on the domestic consumer.

Thinking behind economic reforms was that subsidies will be reduced; open global market will be adopted and public investment in infrastructure and research will be enhanced. That was the correct direction. However, we have lost our way. Public investment has been nearly stagnant since the beginning of reforms while subsidies have multiplied many fold. We have not invested in quality control in particular. Our produce does not conform to the quality standards set by the importing countries. Cold storages are few and far. Roads and transport infrastructure is inadequate for shipping refrigerated items such as fro-



***Our  
agricultural  
imports have  
increased  
nearly  
fourfold***

zen peas. We have not been able to establish a chain of testing labs at district headquarters to assist our farmers meet the global quality parameters. As a result our farmers have not been able to get the increased income from opening of the global markets.

Two paths are open to us. One is to technologically upgrade our agriculture so that we can reduce our cost of production, bring domestic prices down and also compete in the global market. Other is to provide subsidies and impose export restrictions. The former is like providing light and table to the student so that he can study and get high marks. Letter is like providing gifts to the teacher and requesting him to give higher marks to the weak student. This does not deliver in the long run even if successful immediately.

This is not to say that all is dark. Our agricultural exports have nearly doubled since 2001. However there is no cause for celebration. Our agricultural imports have increased nearly fourfold in the same period. This means that our farmers have faced a double whammy. They have not been able to make profits when international prices are high because the Government has banned exports. At the same time they are faced with lower prices due to cheap imports.

We were told that the WTO would open up the global markets for our farmers. The opposite has happened. The WTO has led to opening of our markets to cheap imports but our farmers are unable to sell in foreign markets. Partly this is because of the domestic subsidies and non-tariff barriers put in place by the importing countries. But the bigger problem is that our produce is not up to the global standards in absence of investment in research, transportation and testing infrastructure. Therefore, in the main, policies of our Government are responsible for this sad result; not the WTO. We would have exported our way to success if we had invested in technological upgradation and allowed our farmers to export when the going was good.

Not all is lost. We must stop restricting imports and exports of agricultural produce except for reasons of food security so that the farmer can adjust to global prices. Two, we must scrap all agricultural subsidies and invest the money saved in improving agricultural infrastructure. Three, we must put pressure on the industrial countries to dismantle their domestic agricultural subsidies as was promised during the signing of the WTO agreement in 1995. This should be the farmer's agenda in the coming elections. □□

## Swadeshi: Where now?



*Swadeshi activists need to work under the swadeshi banner as a political outfit with a concrete manifesto in urban cities and rural panchayats to dominate resident welfare associations, municipal corporations in cities and the panchayat institutions in villages. This would help us formulate policies which we can then put on the national agenda as a workable model for others to emulate, opines Vikramjit Banerjee*

The swadeshi movement today is at a crossroads. On one side there is an increasing movement towards a model of governance which is based, not on a market system which helps small businesses and the poor but favours favourite corporates and on the other hand is a system being advocated by anarchists and those supposedly following pro-poor policies. The second system though seemingly better than the first has however worked by not being able to create resources but only by distributing them. This has led to an economic structure which is unviable pushing the economy into a precipitous decline. The tendency of the so-called pro-poor advocates of extending the reach of the state in the guise of extending pro-poor policies, into every aspect of our lives is also extremely suspicious.

In politics today also we stand at a crucial juncture where on one hand there is an unanimity amongst political parties that crony capitalism is a necessary evil and on the other hand the other pole is dominated by anarchists and those who believe that the destruction of our 5000 year old culture and tradition is the root of emancipation of our country. The second set is dominated by antinational forces with suspicious funding from foreign countries.

Needless to say whoever succeeds will not lead to a holistic and a pro-poor government which would work in accordance with our culture and traditions. It is surprising today that no one is addressing the concerns of the ordinary people who want a better life but also do not want their lives to be ruled by crony capitalists. People are clever enough to realise that those who speak about crony capitalists have their own crony capitalists. It is in this context that there needs to be a rethink to my mind on the role of those activists who are presently involved in the swadeshi movement.

To my mind the swadeshi movement revolves around two broad issues, namely swadeshi economics and desi politics. Sadly today no one is speaking about both issues. Though everybody pays lip service to these issues, they are only interested in using it to further their political enterprise rather than use these basic issues to change models of governance in this country.

The question is what we do about it? There are two possible ways to propagate the above, the first is following the old model whereby the swadeshi movement is a platform for like-minded organisations for the purposes of propagating the twin ideals of swadeshi arthaneeti and desi rajneeti, and the other is to move towards a more clearly political and governance oriented role to translate the vision of the swadeshi movement into reality.

The question which continuously faces activists including some recent activist turned political parties is the question as to whether they can effectively bring those changes by being part of governance. It is apparent that the same is very difficult specially since activists are not suited to the role of government having worked their entire life opposing it. This has led to a situation whereby activist political parties are being used as political and corporate pawns in the fight for



## ***Swadeshi has to become a dominant political idea.***

grabbing political space. The work of swadeshi political activists cannot be restricted to this space alone, it should attempt to occupy the middle space in Indian politics being the only movement which is based on ideas indigenous to our 5000 year old culture and tradition. For this it needs to show that it can deliver on governance.

The question which a swadeshi political activist always faces is whether there has ever been a government which is built on a swadeshi model and what does it have to show for it. The answer for swadeshi political activist has always been that it does not have a political representative to spread its ideas or to work its ideas in practice. This leads to the conclusion of the general public that swadeshi is much like some recently popular anarchist parties which oppose for the sake of opposing but are unable to govern beyond a few days.

If indeed Swadeshi has to become a dominant political idea

in Indian politics including both in the economic as well as the political sphere and swadeshi concerns have to become highlighted in political and economic decision-making process then it is important that a political organisation based on the twin objectives take part in the political process.

The obvious question which arises out of the suggestion is do you then expect the swadeshi movement to coalesce like a political party and become the very thing that the swadeshi movement has been opposed to? My answer to that is no. As a swadeshi activist, dedicated to indigenous forms of government including propagation of local self-government in the form of localised governance in towns and effective panchayati raj in villages our response has to be materially different from that of westernised political parties which are a part of the governance structures today which for better or for worse operate under a system of governance which is rooted in westernised conceptions, like parliament, assemblies, bureaucracy and the top down model which he know does not work.

It is important that swadeshi

political activists avoid the mistake made by certain other activists of different ideologies of participating in a political process which they fundamentally disagree with the objective of changing it fundamentally from within. It has never worked and it is unlikely that it will work in the future.

To my mind a solution would be for swadeshi activists to work under the swadeshi banner as a political outfit with a concrete manifesto in urban cities and rural panchayats. It should be the attempt of swadeshi activists and advocates to dominate resident welfare associations, municipal corporations in cities and the panchayat institutions in villages. This would also help us formulate policies which we can then put on the national agenda as a workable model for others to emulate.

The above-mentioned solution for us as swadeshi activists to participate in for the want of a better word, local elections to make changes in local self-governance would be to my mind the most fundamental shift in national politics. After all according to swadeshi activists no solution can be national because every problem is local.

In my mind this can be called the swadeshi model 3.0, the first being the swadeshi model during the swadeshi movement, the second being Gandhiji's swadeshi and the third is the Democratic, electoral and local swadeshi which I propose.

Lastly I think it is time and more than time I think it is urgently needed that a swadeshi movement goes political because in the long run it is the only movement which can save India from crony capitalism and anarchists. □□

## No utility of crop insurance if it cannot compensate farmer for his crop losses

There is nothing more gruesome for any farmer than to see before his own eyes his lush green standing crop flattened by the vagaries of nature. All his hopes and aspirations from a bountiful harvest are grounded in a matter of few minutes. Not only the crop, but his life too is flattened. As many as 24 lakh hectares of land in Madhya Pradesh and another 18 lakh hectares in Maharashtra have been hit by a series of frequent hailstorms in the past three weeks or so. Extensive damage has also been reported from parts of Punjab, Haryana, Rajasthan, Uttarakhand, Uttar Pradesh, Karnataka and Tamil Nadu.

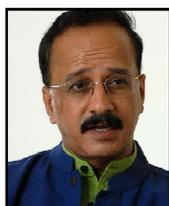
It is easy to call this a natural calamity. It is easy for Union Agriculture Minister Sharad Pawar to say crop losses from excessive rain and hailstorm are not unusual, and, therefore, appeal to farmers to show courage. But for millions of small farmers who toil endlessly to tend the crops in the hope that the harvest will feed their families for a few months, all is lost. For those who didn't commit suicide, such natural disasters push back their household economy by at least three years. Already reeling under debt, life becomes as tall as a mountain for them. They know they have no one to curse except their own fate. This is an agricultural emergency.

With 43 farmers committing suicide in the Bundelkhand region and another 37 taking their own lives in Maharashtra (and still counting) ever since the freak hailstorms with a severe magnitude lashed central India in the past three weeks, the extent of damage caused to the standing crops is all evident. Such has been the severity of the storm that as many as 900 cattle have also reportedly perished.

While Agriculture Minister Pawar says unusual rains and hailstorms are not uncommon and wants farmers to demonstrate courage, he appears more concerned with the damage done to sugarcane. Even before the expert teams have been formed to assess the damage, he has already announced that 15 percent of the standing cane crop has been damaged and has even worked out the loss to the sugar mills. But for the rest of the affected farming community, his advice is to brave this grave loss collectively. A Group of Ministers has been constituted, which is expected to meet next week.

Although both Maharashtra and Madhya Pradesh each have demanded a Rs 5,000 crore relief package to be provided immediately, the loss estimates will swell by the time estimates flow in from other states. But if past experience is any indication, crop loss compensation is hardly going to be any relief.

We have had in the past examples of Rs 1 to Rs 20; Rs 95 to Rs 1,470; and Rs 3,000 to Rs 5,000 being provided as relief. After months of waiting, when the farmers get a cheque that is not even worth presenting before a bank, it only shows the contempt and cruelty by which the farming class is treated. I am not expecting the situation to be any different this season. It is a matter of few days before the first phase of polling begins on 10 April and farmers will disappear from the political radar once the election campaigns peak.



*We have come to believe that crop insurance based on individual approach is totally impracticable. This feeling needs to be rectified. It is easy to tell farmers to pick up courage at times of natural calamities but very difficult to rebuild affected livelihoods unless, of course, the loss is covered through insurance,* emphasizes **Dr. Devinder Sharma**

It was in 2007 that the world's largest weather-based crop insurance programme was launched. By 2012-13, it had expanded to 15 states, covering some 12 million farmers. Prior to this, a number of crop insurance schemes were launched beginning 1972. While all these schemes remained almost at the pilot project stage, these crop insurance schemes do not eliminate risk, but only manage to spread risk over time and space. These schemes only provide compensation based on an index rather than the actual damage, and are also based on an average over a demarcated area, often a block, rather than compensate for the actual loss.

I don't know what utility these crop insurance projects are serving. Way back in 1920, agriculture expert JS Chakravarti had written: "No insurance authority could ever maintain a supervising agency, which would be able to watch and enforce that every insured field receives the required amount of care and attention at the hands of the cultivar. Unless some method is devised by which this great difficulty is minimised, a system of crop insurance would indeed be impossible." Isn't it a reflection of our lost priorities that even after 100 years of knowing this, crop insurance continues to be riddled with the same problems and the same level of inefficiency?

I have never understood why crop insurance agencies or companies can't be made to assess the actual loss a farmer suffers. If every individual can be insured for his life, and that includes people living in remote villages, why isn't the same system extended to cover crops as well? If an individual house can be insured against theft or fire or a nat-



ural disaster, why can't a crop field be insured in the same manner? Why should the insurance agency be allowed to follow an area approach in the case of crops?

Well, the answer is very simple. The governments are not keen. Imagine, if the 18 lakh hectares that has been hit by hailstorm in Maharashtra was insured? Farmers wouldn't have been a worried and harried lot. No farmer would have opted to kill himself. I have a few suggestions on how to achieve this.

First, the government must make it mandatory for the insurance companies to insure all farmers for their standing crops. This can begin especially by making it compulsory for the foreign insurance companies that are lobbying to raise the cap from the existing 26 to 49 percent. These companies should only be allowed to invest, provided they give an undertaking that they would provide individual crop insurance. If they can't, don't allow them in.

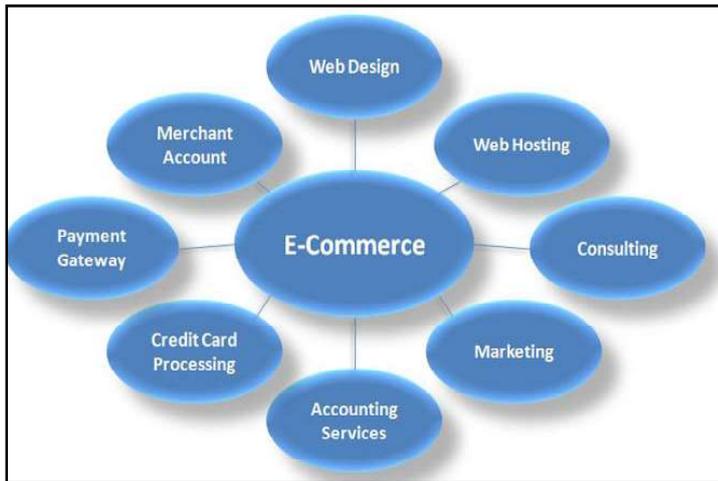
At the same time, all existing crop insurance schemes should be reworked to achieve the goal of providing compensation based on individual loss.

Secondly, the government must step in to provide at least two-

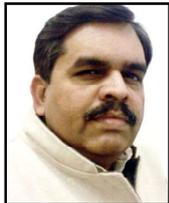
third of the insurance premium. Even in the US, it is the government that provides the bulk of the premium share as specified under the provisions announced under the Farm Bill 2014, which is applicable for another 10 years. In India too, state governments actually end up paying a higher compensation year after year for crop losses than what could have been the premium outgo. At the same time, it will be helpful to seek farmers' suggestions to make the crop insurance schemes really effective. The State Farmers' Commissions should be entrusted with the task to come out with models in wider consultations with farmers, civil society and experts.

Somehow we have come to believe that crop insurance based on individual approach is totally impracticable. Unless this feeling is rectified, I don't see any glimmer of hope for the farmers. It is easy to tell farmers to pick up courage at times of natural calamities but just imagine if ever your own house or company is destroyed in a fire or an unforeseen disaster, would you have the courage to stand the loss suffered? It is difficult to rebuild affected livelihoods unless, of course, the loss is covered through insurance. Farming is no exception. □□

# FDI in E-commerce is Dangerous



If you plan to travel by air, rail or even bus, these days you don't visit Airline's Office, Railway Reservation Centre or Bus Stand. You simply purchase ticket on internet. Such purchase of services or tangible commodities is called e-commerce. It is undoubtedly a reality that such transactions have made life easy and they also involve less cost. Though such kind of e-commerce is not so prevalent in purchase of our daily needs; popularity of e-commerce is on rise. It is notable that today there are nearly 2000 small and big portals involved in e-commerce; however most of e-commerce is concentrated with a big few portals.



*Global giants if allowed in e-commerce in India may put domestic economy, especially industry, commerce and agriculture in trouble, as they would not only easily take over the market, offering more discounts thanks to their deep pockets, may even endanger the existence of domestic producers, cautions*

**Dr. Ashwani Mahajan**

Flipkart, Snapdeal, Myntra, HomeShop18 are some of the well known e-commerce companies. Flipkart claims that its annual turnover is nearly rupees 6000 crores. If e-commerce continues to grow at present pace, it may reach 4 percent of GDP by the year 2020.

In 2009, total retail business of e-commerce was hardly rupees 6000 crores, which has reached rupees 78000 crores in 2013. Though e-commerce is not so popular for day to day groceries or other such needs, 71 percent of travel (air railway and bus tickets) purchases are done through e-commerce. Today penetration of internet is up to 11 percent of population (14 crore people) and rising; looking at this trend e-commerce is going to become an important medium of trade. While making transactions on internet, one may use credit card, debit card, internet or mobile banking; or the payment can be made by cheque, cash on delivery; convenience of payment also makes it attractive to people.

Attempts of multinational retail companies to make entry into India in multi brand and single brand, in the last more than one decade are no secret. Government gave permission for 51 percent FDI in multi brand retail last year itself and paved way for MNCs in retail trade. However, smelling it's far reaching effects on economy in general and small traders, industry and farming community in particular; BJP and many other political parties have been opposing FDI in retail. Many states have refused to give permission to MNCs in retail and a few who had given permission earlier have withdrawn the same (Delhi and Rajasthan). All these development are hunting at bumpy road ahead of FDI in retail. However, smelling increasing scope of e-commerce in the country, foreign e-commerce companies (especially major companies like Amazon, Alibaba and e-bay) have started lobbying for FDI in e-commerce, which so far is not permitted in India. In fact, these companies want to reap the dividend of increasing use of technology in India and one lobbying with the government to allow 100 percent FDI in e-commerce.



***E-commerce,  
itself is an  
alarming bell  
for small and  
medium  
manufactures.***

Recently Department of Industrial Policy and Promotion (DIPP), Government of India has issued a Discussion Paper expressing government's intention to open e-commerce for 100 FDI. Discussion Paper has sought opinion from stake holders in this regard, especially with reference to whether permission to FDI in kept limited to non-agricultural goods or may it be extended to agricultural goods also. Many states have not allowed FDI in retail; opinion has also been sought that how foreign e-commerce companies could be restricted to states, which have permitted FDI in multi-brand retail. Discussion Paper also sought to know from people, that whether or not a condition be imposed on foreign e-commerce companies about compulsory procurement from within country.

**E-Commerce is Cost Effective**

Generally goods ranging from eatables to consumer durables, all are sold through conventional big or small shops and stores, and this involves establishment and running cost. However if services or goods are traded on line, there is some cost involved there too, but that is much less than conventional stores. Benefit of online trade reaches consumers also. Normally books sold in the market are available at

printed price or with 5 to 10 percent discount. However in online stores books are sold at 20 to 25 percent discounts. Flipcart, Snapdeal, HomeShop18 type online dealers sometimes give a discount of upto 50 percent on many items. Consumer is saved of transport and time cost involved in case of online purchases and one gets much better deal online. Dealers also try to attract big purchases by giving higher discount and waiver of delivery charges on big purchases.

**FDI in E-Commerce**

Thanks to all these advantages of e-commerce vis-a-vis conventional retailing, e-commerce has been growing in leaps and bounds. Last year, e-commerce business increased by 33 percent. Though e-commerce is less than one percent of GDP even today, but this medium has a great promise for future. Because of lower operating cost of e-commerce, not only conventional stores, even manufacturing companies are under severe stress. Conventional sellers are finding it difficult to sell range of products, which are being sold by e-commerce sites, say books, electronics and other consumer products, due to heavy discounts offered by online sellers. Perturbed by the looming dangers to their existence, domestic small

and big retailers are joining hands. Many global companies, especially big ones namely Amazon, Alibaba, e-bay etc. have accelerated their efforts to press the Indian government to allow FDI in e-commerce. Their efforts and lobbying fructified with DIPP issuing a Discussion Paper on FDI in e-commerce.

**Dangers of Foreign E-Commerce Companies**

It is no doubt true that we cannot stop new technology; and therefore e-commerce too cannot be stopped. However unequal competition leads to concentration of income and wealth (including market) and that leads to monopolization. Global giants if allowed in e-commerce in India may put domestic economy, especially industry, commerce and agriculture into trouble, as they would not only easily take over the market, offering more discounts thanks to their deep pockets, may even endanger the existence of domestic producers, both big and small as they will most likely make procurement internationally to cut down costs.

Small e-commerce companies have small capacities to challenge domestic conventional trade or make international procurements. Even domestic big e-commerce companies make domestic procurement only and therefore don't pose a threat to domestic manufactures. Big corporate can always start their own portals to save their margins. However e-commerce, itself is an alarming bell for small and medium manufactures; and if FDI is allowed in e-commerce that may prove to be a death knell for crores of our SSIs, cottage and medium industries and artisans. □□

## SJM constitutes 5 National Action Groups

Central Working committee of Swadeshi Jagran Manch held its two day meeting in its central office at New Delhi on 22nd and 23rd of March 2014 under the chairmanship of National Convener Sh. Arun Ojha.

The highlight of the two day meet was the constitution of 5 National Action Groups (NAG) to study different issues confronting the country.

These action group are national action group on GM foods under the convener-ship of Prof. Bhagwati Prakash Sharma. Convener of NAG on Free Trade Agreements (FTA) will be CA R Sundaram and that of NAG on global warming and climate change Prof. B.M. Kumarswamy. Similarly the convener of NAG on Public Private Partnership (PPP) will be CA Amarjeet Chopra and NAG on NRIs and emigrant workers of Indian origin working particularly in gulf countries will be under Sh. Narsimha Naidu.

Prominent persons from the society with a proven record of having worked in the above mentioned fields will be taken as the members of these Action groups. Terms of reference for every group will be clearly drafted. For example Terms of Reference of the Action Group on Public-private partnership (PPP) are as follows:

1. Enlisting state and central level PPPs with details on size, composition, partners, activities (services, asset management, reve-

### Mahalanobis Model

**Prasanta** Chandra Mahalanobis was a well known scientist and applied statistician. He made pioneering studies in anthropometry in India. He founded the Indian Statistical Institute, and contributed to the design of large-scale sample surveys. He was born on June 29, 1893 taught Physics in Presidency College, Kolkata. Here he founded Indian Statistical Institute in 1931 which was registered. Mahalanobis Distance, a statistical measure was his famous contribution in the field of Statics. Prasanta Chandra and his wife were attached to Ravindra Nath Tagore and Prasanta Chandra served Vishwa Bharati University till his death in 1972. He was a member of Planning Commission Government of India from 1953 to 1968. The second five year plan was drafted by him. He introduced sample survey for the first time and NSSO owes its origin to him. Mahalanobis model is a variant of Wassily Leon Tief's input-output model. Mahalanobis was for rapid industrialization in India for which he categorized public and private sectors. Mahalanobis was awarded Padma Vibhushan and his birthday 29 June was declared as National Statistical Day. One International award in memory of Prof. Mahalanobis was instituted for statisticians contributing in statistic of developing countries. Later he published how only 90 families which years later increased to 110 families benefited from entire economic activities which led to a popular observation "rich becoming richer and poor becoming poorer".

In his later life, Mahalanobis contributed prominently to newly independent India's five-year plans starting from the second. he played a key role in the development of a statistical infrastructure. Mahalanobis also had an abiding interest in cultural pursuits and served as secretary to Rabindranath Tagore, particularly during the latter's foreign travels, and also worked at his Visva-Bharati University, for some time. He received one of the highest civilian awards, the Padma Vibhushan from the Government of India for his contribution to science and services to the country.

Mahalanobis died on 28 June 1972, a day before his seventy-ninth birthday. Even at this age, he was still active doing research work and discharging his duties as the Secretary and Director of the Indian Statistical Institute and as the Honorary Statistical Advisor to the Cabinet of the Government of India. □

— Saroj Mitra (All India Co-convener SJM)

- nue collection and sharing) etc.
2. Enlisting controversial PPPs, along with the details -
    - related to land acquisition, land compensation, allotment of land.
    - Audit
    - user charges
  3. Identification of PPPs where some activities can be initiated.
  4. Organising public hearings against infamous PPPs.
  5. Preparing detailed reports, where needed.

These action groups will make in depth enquiry into the issues mentioned and suggest concrete actionable steps, apart from initiating national debate on these burning issues. The report is expected to be completed by August 2014 so that a larger congregation of larger Swadeshi Parivar

“Swadeshi Samagam” is organised in September 2014.

Other issues of national importance and routine organisational matters were also discussed in the CWC meeting.

Rashtriya Vichar Varga’s will be conducted as usual at regional level at 4 places. Tentative dates for these Varga’s have been fixed. Vichar Varga of East will be conducted in the Month of July. Sh. Vikramjeet Bannerjee will be the caretaker of this varga. Vichar varga of west will most probably be held in Ahmedabad Gujarat on 27-28th of July Sh. Lalji Bhai will look after this varga.

Vichar Varga of South will be most probably conducted in Ernakulum, Kerala in the month of August and Prof. B.M. Kumar-swamy and Sh. Sundaram will take

care of this varga. Vichar Varga of North will be held of 27-29th of June and Prof. Bhagwati Prakash will be the overall care taker.

Organisational activity was reported by members from all the states in the meeting. State conference of several states, it was reported have been successfully held, while the remaining states have decided to organise them in coming months.

Arrangements for national executive council scheduled for 31st May and 1st June in Panipat Haryana were also reviewed.

Other issues that were discussed in the two day CWC meeting included present economic and political scenario of the country, rising unemployment, unethical and hasty permission given to open field. □□

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<b>The List of Swadeshi-Videshi Commodities</b>	
<b>Product Name</b>	<b>Swadeshi Product - Use</b>
<b>Bath Soaps</b>	Sintoor, Nirma, Savstik, Maisoor Sandal, Vippro-Sikakai, Madimix, Ganga, Synthol & Home Products etc.
<b>Deterzen Soaps</b>	Nirma, Aankto, Vimal, Hepolin, T-Series, Dait, Fena, Ujala, Shudh, EG, Ghadi, Gentle, Manjula and Home Products etc.
<b>Beauty Products</b>	Tips & Toj, Shrangar, Synthol, Santoor, Emami, Boroplus, Tulsi, Viko, Termaric, Arnika, Hair and Caire, Hemani, Perashoot, Faim, Kedila, Sipla, Dabar, Franki, Efka, khandelwal, Torant Farma, Unicum, Jhandu Farma, Himalya, Maharishi Ayurved, Balsara, J.K. Dabur, Jhandoo, Sandoo, Vaidhnath, Himalya, Bhaskar, Borolin, Bajaj Sevashram, Kokoraj, Move, Creck Cream, Park Avenue and Home Products etc.
<b>Toothpaste</b>	Babool, Promise, Viko, Ankar, Dabar, Misvak, Ajay, Harbodent, Ajanta, Garwary, Brush, Clasical, Egle, Bandarchhap, Vaidhnath, Emami and Home Products etc.
<b>Shaving Cream/ Eraser</b>	Godrej, Emami, Super, Super-Maix, Ashok, V-Zon, Topaz, Premium, Park Avenue, Lazer, Vidhut, J.K. and other Home Products etc.
<b>Bisket, Chocklete Milk's Products</b>	Nutrin, Shangrila, Champion, Ampro, Parle, Sathe, Bekman, Priya-Gold, Monaco, Krackjack, Gits, Shalimar, Paury, Rawalgaun, Clasical, Amul, Nutramul, Vijaya, Indana, Syfal, Asian, Verka, Madhu, Mahan, Gopi, Himghi, Vita & other Home Products etc.
<b>Tea, Coffee</b>	Girnar, Tata-Tea, Asam-Tea, Society, Dankan, Brahmputra, Tej, Tata Cafey, Tata-Tatli and other Home Products etc.
<b>Cold Drink</b>	Guruji, Oanjus, Jampin, Nero, Pingo, Fruity, Aswad, Dabur, Mala, Rajars, Besleri, Rasna, Humdard, Mepro, Rainbo, Culvart, Cetemblika, Ruhafja, Jai Gajanan, Haldiran, Gokul, Bikaner, Vekfield, Noga, Priya, Ashok, Mothers Resapi, Uma, H.P.M.C Product, Him & other Home Products etc.
<b>Ice-Cream</b>	Amul, Himalya, Nirula, Mother Dairy, Vinde, Verka and other Home Products etc.
<b>Food Oil, Food Products</b>	Maruti, Postmen, Dhara, Rokat, Ginne, Swikar, Kornela, Rath, Mohan, Umang, Vijaya, Span, Perashut, Ashok, Sphola, Kohinoor, Madhur, Engine, Gagan, Amrit, Vanaspati, Ramdev, MDH, Avrest, Bedakar, Sahkar, Lijit, Ganesh, Shaktibhog Aata, Tata Salt and other Home Products etc.
<b>Electrical Product, Home Use Product/ Watch</b>	Videocon, BPL, Onida, Slora, ET&T, T-Series, Nelco, Westen, Uptron, Keltron, Kosmic, TVS, Godrej, Crawn, Bajaj, Usha, Polar, Ankar, Surya, Orient, Sinny, Tullu, Crompton, Lyads, Blu Star, Wholtas, Cool Home, Khaitan, Eveready, Jeep, Novino, Nirlep, Elight, Jaico, Titan, Ajanta, HMT, Maxima, Alvin Ghadi, Bengal, Maisure, Hawkins, Prestige, Pressure Kukar and other Home Products etc.
<b>Write's Product</b>	Giflo, Wilson, Kaimlin, Rehwlan, Rotomac, Cello, Estic, Chandra, Montex, Camel, Bittu, Plato, Triveni, Flora, Apsra, Natraj, Hindustan, Lotus, Cammy, Link and other Home Products etc.
<b>Shoes, Chappal, Bootpolice</b>	Lakhani, Liberty Standard, Action, Paragon, Flash, Crona, Welcome, Rexona, Lotus, Red-Tep, Phenix, Vayking, Billi, Karnoba, Kiwi Shoe Polish and other Home Products etc.
<b>Readyment Cloths</b>	Maphatlal, Trende. Cambriz, Duble Wool, Jhodiak, Arvind Denim, Don, Prolin, TT, Lux, Amul, VIP, , Rupa, Raymond, Park, Avenue, Altimo, Newport, Killer, Fling Machine, Dux, Kolkata, Ludhiana and Tripura

<b>The List of Swadeshi-Videshi Commodities</b>	
<b>Product Name</b>	<b>Videshi Product - Not to be Used</b>
<b>Bath Soaps</b>	Lux, Liril, Lifebuoy, Piyers, Rexona, Humam, Jai, Moti, Caime, Dev, Ponds, Pamolive, Jonson, Clearcil, Detol, Lesansi, Jesmin, Gostmist, Lakmay, Amway, Kwantum, Margo.
<b>Deterzen Soaps</b>	Sunlight, Wheel, Ariel, Check, Duple, Trilo, 501, OK, Key, Rebail, Amway, Kwantum, Serf, Excel, Rin, Vimbar, Robin Blue and other products of Hindustan Liver Ltd.
<b>Beauty Products</b>	Johnson, Ponds, Old Spice, Clearcil, Brilcream, Fair & Lovely, Velvet, Medicaire, Lavender, Nicil, Shawar to Shawar, Kyutikura, Liril, Lakmay, Dainem, Organix, Painten, Roots, Head & Sholder, Amway, Kwantum, Clinic, Nihar, Coco Caire, Gluxo, Newwrights.
<b>Toothpaste</b>	Colget, Siwaka, Closeup, Pepsodent, Segnal, Maclins, Prodent, Amway, Kwantum, Akwa Fresh, Neem, Oral-B, Forhuns.
<b>Shaving Cream/ Eraser</b>	Pumolive, Old Spices, Niviya, Ponds, Playtinum, Zelet, Seven-O-Clock, Vilmen, Viltage, Erasmic, Swis, Lukmay, Danim.
<b>Bisket, Chocklete Milk's Products</b>	Britania-Good day, Tiger, Marry, Neslay, Kedvary, Bornvita, Horlix, Boost, Milkmade, Kissan, Maigi, Phairex, Anixpray, Complaign, Kitket, Charge, Eklayer, Modern Bred, Britenia Bread, Maltoa, Hiwa, Mylo.
<b>Tea, Coffee</b>	Bruck Brand, Tajmahal, Red-Level, Daymond, Lipton, Green Level, Tiger, Nescafe, Neslay, Delka, bru, Sunrise, three flowers.
<b>Cold Drink</b>	Layer, Pepsi, 7-up, Mirenda, Team, Coca-Cola, Mecdowel, Magola, Goldsport, Limca, Citra, Tumps-up, Sprit, Dux, Fenta, Kedvery, Kenda dry, cresh.
<b>Ice-Cream</b>	Kedvery, Dalop, Nice, Product's Brook Brand, Quality Wals, Baskin-Robins, Yanki-dudals, Carnetto.
<b>Food Oil, Food Products</b>	Dalta, Cristal, Lipton, Anpurna Salt, Aata and Chapati, Magi, Kisan, Tarla, Brook-Brand, Pilsbari Aata, Capton Cook Salt and Aata, Modern Chapati, Kargil Aata.
<b>Electrical Product, Home Use Product/ Watch</b>	GIC, Philips, Sony, TDK, Nippo, National-Penosonic, Sharp, GE, Whoolphool, Samsung, Devu, Toshiba, LG, Hitachi, Thamson, Electrolux, Aky, Sansui, Kenwood, Awa, Alwin Freeze, Career, Konka, taperwayer, Japan Life, Omega, Timex, Rado.
<b>Write's Product</b>	Parker, Paylet, windser-nutton, feber-caicel, lugzer, vik, mat-black, Koras, As, Rotring.
<b>Shoes, Chappal, Bootpolic</b>	Bata, Fluma, Power, Chairy-blasm, Aadidas, Rebok, Nike, Lekoooper, Gaisolen.
<b>Readyment Cloths</b>	All product of Lee, Peter England, Berlington, Aro, Lacost, Sonphisco, Colourplus, Hawan Husan, Lui Philip, Levis, Paipe Jins, Renglar, Benaton, Red & Tayler, Alen Sali, Boyford.

*This List is published on demand from the Readers.*

## Tribal women in Chamba arrested for protesting against hydro-project

Chamba Police in Himachal Pradesh arrested 35 tribal women at the power house site of the GMR promoted 180 MW Bajoli Holi Hydroelectricity Project. The women have been peacefully protesting for the past two years against the construction of the project which has been granted Forest Clearance without the consent of the local Gram Sabhas, in violation of the Forest Rights Act 2006. Holy village is going to be impacted by the project resulting in deforestation, drying up of water sources and forced displacement due to blasting and leakage from the yet to be built tunnel and surge shaft of the project. The move is reflective of the high-handed behaviour of the Chamba District Administration at a time when the election code of conduct is in place.

The Ministry of Environment and Forests had granted forest clearance to the project merely on the basis of a certificate issued by the Deputy Commissioner, Chamba stating that there were no forest rights to be settled on the 75 hectare forest land to be diverted for the project. The original survey of the project conducted by the HP State Electricity Board had located the 15 Km long tunnel and power house of the project on the uninhabited right bank of the Ravi River, which the project proponent shifted to the left bank having dense forests and population of 4 Gram Panchayats of the area. The Himachal Pradesh High court had ruled in favour of the project proponent in a petition filed by some locals, in complete disregard of the violation of Forest Rights Act. The decision of the High Court has been challenged by the local petitioners. □

## Indian wearable device Fin gets huge pre-orders

A wearable device developed by a 23-year-old Indian based in Kerala has just concluded an overwhelmingly successful campaign on crowd funding platform Indiegogo. Fin, a tiny hardware product that you can wear on your thumb as a ring and which converts your whole palm into a gesture interface, has raised about \$200,000 from some 1,600 people around the world who have pre-ordered the product.

Fin's initial target was to raise \$100,000, but in mid-February, when it found its target getting accomplished faster than it anticipated, it extended the campaign's deadline to March 9, resulting in a doubling of its collections. This is the second Indian hardware-cum-software start up to have had a great innings on a crowd funding platform in recent times. Late last year, Gecko, a coin-sized electronic device with a multitude of uses and developed and marketed by a Bangalore start up, raised orders worth \$135,485, more than double the initially targeted \$50,000. Fin has been developed by Rohil dev N, who grew up in Malappuram in Kerala and who graduated from Kathir College of Engineering in Coimbatore in 2012. Eight months ago he established RHL Vision Technologies at the Startup Village in Kochi to work on touchless technologies, a project he started during his final year of engineering.

## Gujarat govt clarifies stand on FDI in retail

After other BJP ruled states and states like Bihar, West Bengal, Tamil Nadu, Orissa, it was Gujarat government's turn to come out in open against 51% Foreign direct investment(FDI) in multi-brand retail allowed recently by central government. So, while in the morning, Chief Minister Narendra Modi tweeted that party's stand was his stand on FDI, Gujarat government's spokesperson ministers issued a statement on same issue in same line. Making the Gujarat government's views clear regarding the FDI in retail sector, Gujarat government spokespersons Health Minister Jay Narayan Vyas and Saurabh Patel said that Gujarat Government is of the firm view that the recently announced Govt. of India's policy on 'FDI in Retail' will not only dislocate the small and unorganized retailers but also result into unemployment which is against the national interest.

Spokespersons said that earlier, the State Government in its views on the Report of Parliamentary Standing Committee on Commerce in the matter of Foreign and Domestic investments in Retail sector, has clearly stated that illegal practice of Combination and Bargaining sale by the Single Brand Corporate Retailers are covered under the Consumer Protection Act, 1986 as 'Restrictive Trade Practices' and 'Unfair Trade Practices'. It is faulty to believe that Gujarat government is supporting the FDI in retail policy and further, in this matter, the State Government subscribes to the views taken by the Central BJP leadership, ministers said.

## Indian women will fuel \$3 billion e-shopping

Indian women fuelled online shopping worth over half-a-billion dollars last calendar and that figure is galloping five-fold to \$3 billion in the next three years. Women-influenced sales would be 35% of Indian e-commerce market estimated at \$8.5 billion by 2016, venture

capital firm Accel Partners, one of the prolific backers of startups, said in a report published. These projections come in the backdrop of a frenetic growth in internet penetration through smartphones and women lapping up the convenience of shopping online. Indian e-commerce industry totalled \$2 billion last calendar, with women-influenced sales at \$511 million, or at 26% of overall market. The huge contribution by women to the e-commerce market — excluding travel and ticketing — contrasts the brick-and-mortar retailers, who derive most sales from men even in categories like fashion and apparel. Working women clicking online rose 43%: Study

### EC asks Oil Ministry to defer new gas price

Election Commission asked the UPA govt to defer notifying doubling of price of the fuel produced by companies such as Reliance Industries till general elections are completed. A new pricing regime was to be implemented from next month for all private and public sector natural gas producers under which rates were to rise to USD 8.3 next month from current USD 4.2 per million British thermal units. Though the decision to revise gas prices from 1st April 2014 was first taken in June 2013 and notified on 10th January this year, the Oil Ministry had approached Election Commission for permission to announce the new price.

The EC wrote to the Oil Secretary Saurabh Chandra saying since the matter was sub-judice in the Supreme Court, a decision on revision in gas prices may be deferred. "...after taking into account all relevant facts, including the fact that the matter is sub-judice in the Hon'ble Supreme Court, the Commission has decided that the proposal may be deferred," it wrote to Chandra. The decision would mean that the revision is delayed for at least a few months as the new government may like to review the entire decision and take an independent view.

### US company to acquire Educomp

A large US-based strategic acquirer is in fairly advanced talks to buy majority shares in Educomp Solutions, a diversified education services provider, as its founder seeks to restructure the debt-laden company. The potential acquirer may invest about \$300 million (Rs 1,800 crore) through a combination of primary shares and mandatory open offer to emerge as the majority shareholder in Educomp, says a media report. They declined to identify the potential suitor as talks were currently private and not yet conclusive. The ongoing negotiations are veering towards the acquirer subscribing to primary shares giving it an over 40% ownership, thereby triggering an open offer to public shareholders. The promoter and promoter group as of December 31, 2013 held 44.79% in the company.

### External debt up 5.2% at \$426 billion at end-December: Finance Ministry

The total external debt stood at \$426 billion at the end of December, up \$21.1 billion or 5.2 per cent from the end of March 2013, the finance ministry said in a statement. The rise in external debt during the period was due to an increase in deposits mobilised from non-resident Indians, the statement added. The share of India's short-term debt in the total external debt was 21.8 per cent as of end-December, the ministry said. □□

## India for China investments to reduce trade deficit

Calling for major Chinese investments in India to offset the ballooning trade deficit which now averaged over USD 35 billion in the last three years, New Delhi sought Beijing's financial and technical collaboration to upgrade its ageing railway network.

"I must, at his stage, mention the growing imbalance in our trade which is a cause of concern in India," Deputy Chief of the Planning Commission Montek Singh Ahluwalia said addressing the third meeting of the high level India-China Strategic Economic Dialogue (SED) in Beijing on Tuesday.

On the declining trend, India-China bilateral trade totalled to USD 66.5 billion last year as Indian exports continued to fall due various reasons including rupee depreciation and reduced iron ore exports. Indian officials say that the deficit reached such levels that it virtually amounted to India borrowing from abroad to finance the imbalance with China and Chinese recognise that.

Chinese investment in India at present is less than USD 1 billion. One way to reduce the imbalance is to open up Chinese markets to IT-enabled services, cotton textiles and home furnishings and also in pharmaceuticals, Ahluwalia said adding that China should step up investments in India specially in the industrial parks to offset Indian losses. □

## Walmart sues Visa for \$5 billion

The world's largest retailer Walmart has sued credit card giant Visa for more than \$5 billion for conspiring with banks to fix fees that merchants pay for accepting Visa card payments. In the suit filed in Arkansas, where Walmart is based, the retailer said Visa worked with some of the largest US banks "to illegally fix the interchange fees and inflate the network fees that Walmart and other merchants pay on Visa charge card transactions." It said Visa and the banks as well worked together to set rules that prevent retailers from protecting themselves against such fees.

Walmart said the banks agreed with Visa to establish one inflexible interchange rate regime, and suggested this prevents it from any ability to negotiate what would be a market rate. "Visa has used its price-fixing schemes to establish, maintain and enhance its long-held market power," said Walmart in the suit. The suit also accused Visa of issuing its cards with "inherently insecure" magnetic stripe technology, making it easy for thefts and fraud, and yet using its market power to shift the costs of fraud losses to merchants. □

## Thai anti-graft body attacked ahead of PM Defence

Two grenades were fired into Thailand's anti-corruption office, police said. The latest attack on an agency that has lodged a case against the embattled Prime Minister could lead to her impeachment. Prime Minister Yingluck Shinawatra is due to defend herself at the National Anti-Corruption Commission against charges that she failed to stop corruption and stem huge losses in the Government's flagship rice-buying program.

Yingluck's supporters have been protesting at the commission's compound for several days and camping out in front of it. No one was injured from the grenades, which were thrown into the compound, deputy national police chief Gen Ake Angsanantont told reporters. A building was slightly damaged at the compound in Nonthaburi province, outside Bangkok.

Police sealed off the area and searched for suspects. They seized a cache of weapons, including a grenade launcher, hand grenades, a rifle and two guns, and arrested four of the pro-government protesters in an area close to the commission. They were investigating whether those arrested were linked to the attack.

## Obama may allow air defense help for Syria rebels

A US official says President Barack Obama is considering allowing shipments of air defence systems to the Syrian opposition. The move would constitute a reversal of Obama's earlier opposition to introducing the weaponry into the conflict. Saudi Arabia is sure to welcome the potential step. The Saudis has been pressing the White House to allow the man-portable air-defence systems, known as "manpads," into Syria. Obama arrived in Saudi Arabia on Friday and is meeting with King Abdullah.

Allowing manpads to be delivered to Syrian rebels would mark a shift in strategy for the US, which until this point has limited its assistance to humanitarian aid and small weapons and ammunition. The official insisted on anonymity because they were not authorised to discuss the internal deliberations by name.

## Hindu temple desecrated, set on fire in Pakistan

A Hindu temple has been desecrated and set on fire by three unidentified miscreants in Pakistan's southern Sindh province, two weeks ahead of an annual fair at the temple. The caretaker of the temple of Hindu deity, Hanuman, in Latifabad told police that three men came on Friday to offer prayers. "But after offering prayers they first broke a statue of Hanuman and then sprayed kerosine oil and set it on fire," said a police official.

Darshan, the interim caretaker of the temple, said the attackers ran away when he called for help.

The miscreants had covered their faces, thus could not be identified, he added. The attack came weeks ahead of April 14 fair organized at the temple every year. Around 500-600 scheduled caste Hindu families inhabit the locality the temple is situated. They staged protests at several places in the city. On March 15, a frenzied mob had set on fire a temple and a dharamshala in Larkana over alleged desecration of a holy book, prompting authorities to impose a curfew in the area.

### **Elated by India's abstention at UN vote, Sri Lanka frees Fishermen**

An elated President Mahinda Rajapaksa ordered the release of all 98 Indian fishermen in Sri Lanka in custody for alleged poaching, a day after India abstained from voting on a US-backed UN resolution censuring Colombo on its human rights record.

"The President ... has ordered the release of all Indian fishermen," Wijayananda Herath, a presidential spokesman told PTI. The frequent arrest of Indian fishermen by the Sri Lankan Navy has become a major irritant in bilateral ties. India was one of the 12 nations that abstained at UNHRC vote on the resolution which has prescribed an international probe into Sri Lanka's alleged rights abuses. Rajapaksa hailed India's abstention as a very welcome and significant development which was very encouraging towards Sri Lanka. India had supported both previous US-moved resolutions in 2012 and 2013.

### **UN human rights panel criticizes US on drone strikes**

A United Nations human rights panel has called for more oversight and transparency in the program of targeted drone strikes carried out by the United States and recommended the prosecution of all those involved in unlawful killings and torture overseas, particularly "persons in command positions."

In a report, the United Nations Human Rights Committee, a panel of 18 independent experts from different countries, expressed concern that the United States government had not clarified the criteria or legal basis for drone strikes and called for independent oversight of the program. It also drew attention to the limited number of investigations into unlawful killings and the use of torture in overseas operations by the American military and private contractors. It said the responsibility of those who "provided legal pretexts for manifestly illegal behavior should also be established" and urged the government to declassify and release the Senate Intelligence Committee's investigation into the Central Intelligence Agency's secret rendition.

### **China brings forward date for uranium-free nuclear power plant**

China has brought forward its deadline for the world's first thorium-fuelled facility as part of moves to break its reliance on fossil fuels. To reduce the number of coal-fired plants, the government has advanced by 15 years the deadline to develop a nuclear power plant using the radioactive element thorium instead of uranium. A team of researchers in Shanghai has been told it has 10 instead of 25 years to develop the world's first such plant. An advanced research centre was set up in January by the Chinese Academy of Sciences with the aim of developing an industrial reactor using thorium molten-salt technology, the newspaper reported. According to the World Nuclear Association (WNA), the country has 20 nuclear plants in operation and another 28 under construction, all uranium-fuelled reactors. China has been importing large quantities of uranium as it attempts to reduce its reliance on fossil fuels. However, according to the WNA, thorium is far more abundant. □□

### **More support for retail innovation to boost recovery**

A poor understanding of the sector and lack of financial, research, and policy support is hampering innovation in retailing and getting in the way of economic recovery across the European Union, say retail experts who have made 17 specific recommendations to European governments, universities, trade associations and retailers in order to boost innovation and competitiveness in this inherently dynamic and economically important sector.

The recommendations are detailed in the Final Report from The European Commission's Expert Group on Retail Sector Innovation, an international team of retailers, academics and innovation specialists chaired by Dr Jonathan Reynolds of the Oxford Institute of Retail Management at Saïd Business School, University of Oxford.

In the Report, the members of the Expert Group argue that retailing is the closest sector to the European citizen and consumer in the value chain and is therefore in a better position than other sectors to gather insight into the behaviour of consumers and coordinate and develop innovative strategies within European markets. However, there is a significant gap in the use of public funding for innovation between retailing and manufacturing and between retailing and the economy as a whole. □

## US antagonising India

RESolve energy consultant Madhavan Nampoothiri believes that the US complaint to WTO regarding India's national solar mission (JNSSM), can only serve to antagonise India. The US filed a complaint to the WTO about India's 375MW domestic content requirement (DCR) covering half of the 750MW auctioned for the second phase of India's solar mission. India retaliated by instructing officials not to cooperate with the United States International Trade Commission (USITC).

Given the US has little leverage in solar trade retaliation, and the small margin for impact to the US solar market, Nampoothiri struggles to understand the US complaint. "One fails to understand why the US raked up this issue in the first place, especially when there is no guarantee that US companies [competing with other global developers] will be able to get all of the 375MW (DCR)." While a number of other countries have established quotas or bonus tariffs for domestic content, including Canada, South Africa and France, the Indian policy has attracted the most attention from the US.

## India initiates safeguard investigation

India has notified WTO that it has initiated on 4 March 2014 a safeguard investigation on sodium citrate. In the notification, India indicated "All interested parties may make their views known within a period of 30 days from the date of the notice issued by the Director General (Safeguards) i.e. 4 March 2014 to: The Director General (Safeguards), INDIA. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director General (Safeguards) on the aforementioned address within 15 days from the date of the aforesaid date of notice of the Director General (Safeguards)."

An application has been filed before The Director General (Safeguards), INDIA under Rule 5 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 for imposition of Safeguard Duty on imports of "Sodium Citrate" (Product under consideration) into India to protect the domestic producers of "Sodium Citrate" against serious injury/threat of serious injury caused by the increased imports of "Sodium Citrate" into India. "Sodium Citrate" is imported into India from a number of countries, and primarily from China. The imports of "Sodium Citrate" have shown an increasing trend in absolute terms as well as in relative terms. The applicant has claimed that the increased imports of "Sodium Citrate" have caused or

threatening to cause serious injury to the domestic producers of "Sodium Citrate" as indicated by factors like a) Production b) Share of domestic producers in domestic demand c) Changes in the level of Sales and d) the profitability of the domestic industry that has steeply deteriorated.

## India ready to discuss ITR norms at WTO

Rejecting US allegations related to intellectual property rights (IPR), India says that it is ready to discuss the matter at WTO as it has not breached any international agreement. "If they (the US) want a discussion in WTO (World Trade Organization), we are more than ready because we are not in any breach. We are very clear," Commerce and Industry Minister Anand Sharma told PTI. Sharma was replying to a question over the US charges that India's IPR norms discriminate against American companies, particularly in the pharmaceutical sector.

The US Food and Drug Administration has recently banned import of drugs from Sun Pharma's Karkhadi facility in Gujarat for violation of manufacturing norms. The US had also raised concerns over issuance of a compulsory license (CL) by India to Hyderabad-based Natco Pharma to manufacture and sell cancer-treatment drug Nexavar. Indian authorities have expressed their concern over the USFDA's audit inspections of Indian pharmaceutical companies and the disproportionate penalties imposed in some instances.

## Pre-poll sugar sop questioned at WTO

The government's pre-election bonanza for the sugar industry has been questioned at WTO, making it the second farm subsidy to face global scrutiny in recent months. Australia, Colombia, Brazil and the European Union, along with others have raised several questions including the compatibility of latest set of sops with WTO rules, while some urging India to remove immediately what they described as export subsidies that will potentially impact world trade. The issue was raised at a meeting of WTO's agriculture committee on March 21. Paraguay, Thailand, El Salvador, Canada, the US, Pakistan and New Zealand were the other countries that protested India's export subsidy for sugar meant to clear a glut. At the meeting, WTO members once again questioned India about details of its support programmes for rice and wheat and its stockholding programme for food security. In a questionnaire circulated before the meeting, the US went to the extent of suggesting that the government's subsidy programme was highly inefficient. □□