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POLITICS AND THE NATION

No cash was given for votes: Manmohan

- Prime Minister Manmohan Singh on Wednesday reiterated that no one from the Congress or the government had indulged in any unlawful act as alleged in a U.S. Embassy cable published in The Hindu on March 17.
- Refusing to entertain the cable's charge of a Congress politician showing two chests of bribe money to a U.S. Embassy staffer, Dr. Singh devoted a substantive portion of his reply to an attack on the Opposition benches, particularly the BJP.
- Targeting senior BJP leader L.K. Advani, he said: *"Advaniji believes that becoming the Prime Minister was his birthright and therefore, he has never forgiven me...All I can say to Advaniji is that people of India have voted us to power in free and fair elections. Please wait for another three-and-a-half years."*
- This was not the first time in his parliamentary career that he was facing an Opposition onslaught of this type. *"I have had to go through that as Finance Minister and as the Prime Minister. The main Opposition party, right from 2004, adopted the attitude that we are a usurper."*

Yashwant Sinha, Kapil Sibal cross swords

- Yashwant Sinha (BJP) and Communication Minister Kapil Sibal crossed swords on the WikiLeaks reports. While Mr. Sinha wondered what made Dr. Singh change his statement that *"I am not at all involved in any of the transaction,"* made earlier in the day on March 18, to *"No one from the Congress or the [UPA-I] government was involved,"* Mr. Sibal said it was the BJP which was in the habit of doublespeak.

- Quoting a WikiLeaks cable about BJP leaders' inconsistency in their public and private speeches, Mr. Sibal wanted to know from Mr. Sinha whether his party was ready to accept this report too.
- The Minister again turned the tables on the BJP, saying Jaswant Singh (who rejoined the party a few months ago) had charged, in an interview to an English magazine, that Mr. Advani was at the "centre" of the entire "drama" of cash-for-vote. He read out a portion that stated: *"Here was a man who was consumed by an ambition to be Prime Minister ... Advaniji was at the centre of this whole drama ..."*
- Mr. Sinha said the government had no "moral right" to continue in power after the WikiLeaks exposé. It should not try to downplay the cable as the former U.S. Ambassador, David Mulford, had gone on record confirming that such a report existed and it was indeed sent by the embassy here.

Tehelka comes in handy for defensive Congress

- Days after being on the defensive on the WikiLeaks disclosures of a possible cash-for-votes scam back in 2008, a belligerent Congress went for the jugular, bringing cheer to the ruling party. In the Lok Sabha, it was a combative Prime Minister Manmohan Singh and Human Resource Development Minister Kapil Sibal; in the Rajya Sabha, Home Minister P. Chidambaram held the fort.
- Emboldening the Congress on Wednesday was the publication of a news story in Tehelka, suggesting that the BJP had masterminded a cash-for-votes sting operation through the CNN-IBN channel in 2008, to destabilise the government.
- The Prime Minister also stunned the Lok Sabha when he quoted a Urdu couplet to mock Leader of the Opposition Sushma Swaraj, before going in for the kill, attacking the former Deputy Prime Minister L.K. Advani. Dr. Singh said Mr. Advani had never forgiven him as the BJP leader believed that "being the Prime Minister was his birthright."

- The Tehelka report, which quotes the former CNN-IBN reporter, Siddharth Gautam, who was involved in the sting operation, says neither the Congress nor the Samajwadi Party was actively looking for MPs to buy — rather, it was the BJP which “had wilfully set out to entrap either the Congress or the SP into buying three BJP MPs so it could pull off a successful sting operation and discredit the government.”
- This sting operation “appears to have had the sanction and collusion of respected BJP leaders like Sudheendra Kulkarni, Arun Jaitley and even L.K. Advani,” says the Tehelka report.
- The story is based on three pieces of evidence — the firsthand account of the former CNN-IBN reporter, 10 crucial phone recordings that show the BJP's Ashok Argal frantically calling up people and shopping for someone to buy him and the other two BJP MPs on the night of July 21, 2008, the eve of the nuclear vote.

Swamy seeks sanction to prosecute Chidambaram

- Janata Party chief Subramanian Swamy has written to Prime Minister Manmohan Singh seeking sanction to prosecute Home Minister P. Chidambaram for allegedly “conspiring with the former Telecommunications Minister, A. Raja and failing to protect the national interest in 2G spectrum licensing.”
- Dr. Swamy said that according to a Cabinet decision in 2003, spectrum pricing was to be determined by the Telecom and Finance Ministers.
- “In the 2007-08 spectrum allotment, Mr. Raja and Mr. Chidambaram decided to fix the combined entry fee and spectrum price per MHz at the price discovered in 2001. This was in violation of the Telecom Regulatory Authority of India recommendation of August 28, 2007, which required the entry fee to be separated from the spectrum price and determined according to the market conditions prevailing then,” Dr. Swamy alleged.

Batcha's suicide note sent to forensic science lab

- A copy of the suicide note allegedly written by Sadiq Batcha has been sent to the forensic science laboratory for confirming his handwriting, police said. Batcha, a close aide of the former Telecom Minister, A. Raja, committed suicide by hanging at his house here on March 16, according to the police.
- The State government announced that the case would be transferred to the Central Bureau of Investigation, but the police were making enquiries with several people in and around Batcha's house.

Tribute to Bhagat Singh, Rajguru, Sukhdev

- Parliament today paid homage to freedom fighters Bhagat Singh, Rajguru and Sukhdev on the 80th anniversary of their martyrdom today.
- Speaker Meira Kumar said, "Eighty years ago, on March 23, 1931 Bhagat Singh, Rajguru and Sukhdev attained martyrdom to liberate the nation from the shackles of colonialism and imperialism."
- "Their patriotism, uncompromising devotion to the cause of their motherland and their selfless sacrifice have immortalised them for all times. Let us pledge to uphold the cherished values for which they gave their life," " Rajya Chairman Hamid Ansari said.

Libya - Gaddafi shells towns, rebels pinned down in east

REBELS PINNED DOWN IN EAST

- Libyan leader Muammar Gaddafi's forces resumed their attack on the rebel-held town of **Misrata** on Wednesday, moving back onto the offensive just hours after Western strikes silenced their guns.
- While initial Western airstrikes hit Libyan air defences and an armoured column in the east, Gaddafi's tanks kept up their shelling of Misrata in the west, killing dozens there this week.
- The U.S. military said it had successfully established a no-fly zone over Libya's coastal areas and had moved on to attack Gaddafi's tanks. Western planes launched a series of air strikes near Misrata and stopped the tank and artillery fire.
- The Libyan government denies its army is conducting any offensive operations and says troops are only defending themselves when they come under attack.
- Gaddafi forces resumed on Wednesday their bombardment of **Zintan, another rebel-held town in west Libya**, a resident said, and tanks were expected there.

NATO TO COORDINATE

- U.S. President Barack Obama on Tuesday won British and French support for a NATO role in the air campaign as Washington seeks to cede operational control within days. France had been against a NATO role for fear of alienating Arab support.
- Turkey had also opposed a NATO command role as it said coalition air strikes had gone beyond what was authorised by the United Nations.
- Another U.S. official said Washington believed NATO would effectively have to take operational, if not political, control due to its superior command structure.

- **France and Britain had agreed to put together a "political steering body" of foreign ministers of countries participating in the coalition and the Arab League** which would meet in the next few days in Brussels, London or Paris and hold regular meetings.

Foreign forces to end in history's dustbin – Gaddafi

- Foreign forces leading an assault against his government will lose and end up in the dustbin of history, Libyan leader Muammar Gaddafi said on Tuesday as he vowed to continue fighting.
- *"We will not surrender ... We will defeat them by any means," Gaddafi said in brief remarks in the capital Tripoli. "We are ready for the fight, whether it will be a short or a long one. We will be victorious in the end."*

Egypt – Fact-finding committee charges Mubarak with killing protesters

- An Egyptian committee set up to investigate violence during demonstrations that toppled Hosni Mubarak has laid charges against the former president and interior minister for intentional murder of protesters, a state newspaper said.
- **More than 360 people died in the uprising and thousands were injured**, when fired rubber bullets, live ammunition, water cannon and tear gas at peaceful protesters.
- The fact-finding committee submitted its charges to the Public Prosecutor's office, saying Mubarak as the head of the government was criminally responsible for the death of the protesters.
- The former interior minister Habib al-Adli, who is also already facing trial for wasting public funds and money laundry, is accused of ordering police to open fire at demonstrators, the newspaper said.

Yemeni President given emergency powers

- Yemen's Parliament enacted sweeping emergency laws on Wednesday after the country's embattled President asked for new powers of arrest, detention and censorship to quash a popular uprising demanding his ouster.

- The move escalates the showdown between Ali Abdullah Saleh and the movement that has unified military commanders, religious leaders and protesting youth in demands for his immediate departure. The state of emergency suspends the Constitution, allows media censorship, bars street protests and gives security forces 30 days of far-reaching powers to arrest and detain without judicial process.

Israel kills 8 in Gaza in deadliest day in months

- Israeli air strikes and shelling killed eight Palestinians in the Gaza Strip on Tuesday, medical officials said, in the deadliest day of conflict in the enclave in months.
- Palestinian medical officials said four were killed by Israeli shelling, and four militants were killed later in an air strike elsewhere in the Gaza Strip.
- Tuesday's death toll was the highest for a single day in months, provoking calls from militants for revenge, condemnation by a U.N. official and a demand from a Palestinian leader for foreign intervention to stop the violence.
- **Israeli Prime Minister Benjamin Netanyahu** apologised for the civilian casualties and said Israel had no intention of seeking a further escalation of the conflict, but would defend itself against rocket fire aimed at its citizens.
- Hamas has stepped up rocket fire aimed at Israel after a hiatus since the two sides fought a war two years ago, and said its fighters had fired more than two dozen mortar shells and rockets at the weekend.
- Israel has retaliated with air and ground assaults, saying it was targeting militants firing rockets and mortar shells at its towns and cities.
- Palestinian analysts linked the growing violence to calls for **President Mahmoud Abbas** to heal a four-year rift with **Hamas**, which seized control of Gaza in a bloody struggle in 2007 with Abbas's Western-backed **Fatah movement**.
- Some Hamas officials were seen as worried that Fatah could regain control of Gaza if the two groups were reconciled.

Japan Quake Aftermath - Quake is costliest ever

- The Japanese government on Wednesday estimated the direct damage from a deadly earthquake and tsunami that struck the country's northeast this month at as much as **\$310 billion, making it the world's costliest natural disaster.**
- The first official damage estimates will serve to map out disaster relief plans and emergency budgets to fund recovery costs.
- Tokyo said the estimate covered damage to roads, homes, factories and other infrastructure, and eclipses the losses incurred by other natural disasters such as the **1995 Kobe quake and Hurricane Katrina in 2005.**
- The figure could go even higher, as the estimate does not include losses in economic activity from planned power outages or the broader impact of a crisis at a stricken nuclear power plant in Fukushima, which economists say pose the biggest risks to the economy.

FUKUSHIMA

- As concern grew over the risk to food safety of radiation from the crippled Fukushima power plant, the United States became the first nation to block some food imports from the disaster zone.
- At the Fukushima plant, engineers battling to cool reactors to contain further contamination were evacuated when black smoke rose from the No.3 reactor, the plant's operator, Tokyo Electric Power Co, said.
- **Technicians have successfully attached power cables to all six reactors at the Fukushima plant and started a pump at one to cool overheating fuel rods.**

GLOBAL IMPACT

- The Japan crisis has dealt a blow to the nuclear power industry around the world. Italy became the latest nation to re-assess its programme, announcing a one-year moratorium on site selection and building of plants.
- Crisis in the world's third-biggest economy -- and its key position in global supply chains, especially for the auto and technology sectors -- has added to global market jitters, also affected by conflict in Libya and unrest in the Middle East.

Obituary - Actress Elizabeth Taylor dies



Two-time Oscar winner and one of Hollywood's most glamorous superstars, Elizabeth Taylor, died. She was 79.

Here are some details about the actress who starred in around 55 films, six television movies, guest appearances on prime time television and voiceovers:

FILM CAREER:

-- Soon after her 10th birthday she landed the lead role in the 1942 film "Lassie Come Home". But she is perhaps still best remembered for her role two years later in "National Velvet", about a young girl's love for a horse.

-- After playing a string of girl-next-door roles, the first hint of dramatic promise was in "A Place in the Sun" (1950).

-- She confirmed her powers in 1958 as Maggie in Tennessee Williams' "Cat on a Hot Tin Roof", which was completed only weeks after her third husband, wealthy film producer Mike Todd, was killed in a plane crash.

-- Recognition of her acting ability did not come until she was in her 30s, when she won two Academy Awards -- the first in 1960 for her role as a call-girl in "Butterfield 8" and the second in 1967 for her portrayal of a foul-mouthed, alcoholic wife in Edward Albee's "Who's Afraid of Virginia Woolf?"

-- Taylor's film career prospered and in 1961 she was paid \$1 million to play the title role in the ill-fated "Cleopatra".

-- Taylor was true to the character in a torrid affair with the celluloid Antony -- Richard Burton, a Welsh actor trained for the classical stage.

-- In 1994, Taylor returned to the movies after a 14-year absence for a small part in "The Flintstones". She then announced her retirement from films.

* LIFE DETAILS:

-- Born in London on February 27, 1932, Taylor said many times that she never wanted to be an actress but was pushed by her mother into the career that made her millions of dollars.

-- During her teenage years Taylor was controlled by her omnipresent mother, actress Sara Sothorn Taylor, and Metro-Goldwyn-Mayer studios.

-- Her romantic life began at 17, when she became engaged to all-American football hero, Glenn Davis. Then came a second engagement, to William Pawley, son of a U.S. ambassador to Brazil.

-- Her first husband was Conrad Hilton and then British actor Michael Wilding. On the death of her third husband, film producer Mike Todd, in 1958, she found herself in a well-chronicled love triangle with singer Eddie Fisher and his wife actress Debbie Reynolds, before marrying Fisher.

-- She was eventually married eight times, including twice to actor Richard Burton which was among the most tempestuous.

-- Taylor divorced Burton in 1974, only to remarry him in 1975 and divorce him, permanently, in 1976.

-- She had two husbands since, Senator John Warner and Larry Fortensky. Her marriage to Fortensky ended in the mid 1990s.

-- In November 1988 she was admitted to the Ford clinic, reportedly for dependency on painkillers taken for a back injury which she underwent many operations to correct.

-- In February 1997 Taylor participated in the ABC-TV (American Broadcasting Company-television) special, "Happy Birthday Elizabeth A Celebration of Life," which marked her sixty-fifth birthday and raised money for AIDS research.

-- Days later she entered hospital for the removal of a brain tumour. The operation was successful.

-- When her friend, Rock Hudson died in 1985, she began her crusade on the behalf of AIDS sufferers.

-- In the 1990s, she also developed a successful series of scents.

Billionaire Buffett in India

Billionaire Warren Buffett on Tuesday said he is looking to invest in large countries like India, China and Brazil, but added that restrictions on foreign ownership in India's insurance industry could act as a deterrent in the sector.

On India - *"India is a very logical place to look so I hope I spend some money here,"* Buffett told reporters during his maiden visit to India.

On US Economy - Buffett also said the U.S. economy was improving. *"The American economy is getting better month by month,"* he said. *"The more India prospers or China prospers, the more the United States is going to prosper over the long term,"* he added.

On Japan - He said the earthquake in Japan -- *which is one of the world's worst nuclear crisis in a quarter of a century* -- would not hurt global growth. *"In terms of its effect on the world economy ...It's going to be important for Japan, obviously, but it will not stop the growth of the world economy,"* and added that *instead crisis created a "buying opportunity."*

Buffett, nicknamed the Oracle of Omaha, a reference to his prodigious skill in picking out great investments that are followed closely by investors, and his Omaha, Nebraska origins, said he was looking at industries with modest rates of change.

The 80-year old investor who is yet to name a successor to take over his **\$200-billion empire,** skirted questions on the succession plan but praised Berkshire veteran Ajit Jain for smoothly running much of the company's insurance business.

Four names top the list of potential candidates to succeed Warren Buffett as chief executive of **Berkshire Hathaway,** including that of India-born Ajit Jain.

BUFFET'S INTEREST

When asked if he would invest in India's \$60 billion information technology industry or in the semiconductor business, Buffett said he preferred sectors he had expertise in. *"I think about the soft drink industry or the chewing gum industry, some thing that's much easier for me to understand,"* he said.

Berkshire owns a stake in Wrigley since 2008, when it poured \$6.5 billion into Mars Inc's \$23 billion acquisition of the chewing gum maker. And Coca-Cola (KO.N) is one of Berkshire's biggest investments.

Buffett said he liked large countries like India, China, Brazil, United Kingdom and Germany. *"We need to invest billions of dollars and that's very tough in emerging markets,"* he said. *"I don't consider India as an emerging market, I consider India as a very big market. We continue to look at large countries like India."*

Earlier this month, *Berkshire Hathaway* agreed to become a corporate agent for India's *Bajaj Allianz General Insurance*, marking its entry in to the insurance sector in Asia's third-largest economy.

Indian rules do not allow foreign firms to own more than 26 percent of an insurance company - a move that is seen by many overseas firms as restrictive. *"It would be more attractive to us if we could buy more than 26 percent,"* Buffett said.

Ranked the **world's third-richest man** by Forbes magazine, Buffett is also using his visit to India to encourage philanthropy.

G7 intervention gives go-ahead for yen carry trade

- The Group of Seven intervention to drive down the yen has created conditions ideal for the Japanese yen to become the preferred funding currency, and this could boost growth-linked currencies like the Australian dollar.
- In their first joint intervention since 2000, G-7 rich countries sold the yen on Friday after it spiked to record highs of 76.25 per dollar and threatened to deal a blow to the export-reliant Japanese economy that was just picking up from a lull when the earthquake and tsunami struck.

- The Bank of Japan is not expected to drain yen that enter the market through intervention. In addition, the BOJ eased its ultra-loose policy even further last week, taking a step further away from rate normalisation.
- The flow of yen into the financial system, ultra-low Japanese money market rates and expectations yen gains will be capped should combine to see the Japanese currency take over from the U.S. dollar as the world's preferred funding currency.
- **In carry trades, investors borrow in a lower yielding currency to invest in others which return higher yields to investors.** In the past two years as the global economy recovered from the financial crisis, the bulk of carry trades used the dollar as the funding currency.
- Yen-funded carry trades were very common before the global financial crisis struck in mid-2008, having picked up after the BOJ unilaterally intervened in 2004 to drive the yen lower.
- The European Central Bank has intervened alongside Japan, the United States, the United Kingdom and others to calm volatile foreign exchange markets in the wake of Japan's catastrophic earthquake, tsunami and nuclear disasters.
- Analysts say with the Federal Reserve likely to end quantitative easing in June, the European Central Bank likely to raise interest rates next month and the Bank of England considering rate hikes in the second quarter, Japan will be exceptional in holding rates near zero.

FACTBOX-How ECB currency intervention works

Below is a factbox on how ECB currency interventions work and details of the central bank's previous interventions.

HOW IT INTERVENES

* The ECB can intervene in the foreign exchange markets without prior authority from euro zone or EU finance ministers. It can conduct sales or purchases of foreign exchange itself, or instruct national central banks that manage ECB reserves to

conduct transactions on its behalf, or ask the same of foreign central banks with which it holds accounts.

* The ECB also can instruct the national central banks to transfer their own foreign exchange assets to the ECB, in exchange for an interest-bearing claim. This would increase the ECB's fire power about four-fold, but it has never used this authority.

* The ECB can fund foreign exchange interventions not only with its reserves but by other means, such as foreign exchange swaps, and swaps with other central banks.

* The ECB can fire its biggest cannon by coordinating its foreign exchange intervention with other major central banks.

In September 2000, it initiated a plan where the U.S. Federal Reserve and Bank of Japan joined it in buying euros to stem the single currency's sharp slide.

The action was followed by three waves of unilateral ECB intervention in November and succeeded in putting a floor under the euro at 82 cents. There had been no interventions since until Friday's move.

INTERVENTION POWERS

* The European Central Bank must conduct its foreign exchange operations within the framework of its primary objective, maintaining price stability. This means that if changes in the euro's value threaten inflationary or deflationary pressures, the ECB can intervene in the foreign exchange markets if price stability is at risk.

* European Union finance ministers have the authority to reach agreements on an exchange rate system for the euro, and can give general directions for exchange rate policy. The ECB can provide them with advice on these matters. The European Council of EU leaders agreed that it would exercise these powers in exceptional circumstances and without threatening the independence of the Eurosystem -- the ECB and national central banks.

In practice, EU finance ministers have never used these powers, leaving decisions on the euro and exchange rate policy up to the ECB.

* The ECB has a strong incentive to consult with finance ministers and keep them abreast of its thinking and any foreign exchange policy plans, because ministers have the authority to give currency direction. The monthly Eurogroup meeting of euro zone finance ministers and the ECB president is the usual forum for these discussions.

<http://www.ecb.int/ecb/orga/tasks/html/foreign-exchange.en.html>

FX RESERVES

* There was a total of 185 billion euros in foreign exchange reserves in the European System of Central Banks (ESCB) as of the end of last week. ECB does not specify currency composition of its reserves, but traditionally they are held substantially in dollars.

* National central banks are required to contribute to the ECB reserves when they join the Eurosystem, based on a formula.

* The ECB manages its foreign exchange reserves to generate some income but it keeps them in highly liquid instruments. Some of the reserves are managed on its behalf by the national central banks. The ECB also has reserve accounts with other central banks, such as the Bank of Japan and the Federal Reserve.

Portugal government may collapse before EU summit

- Portugal's parliament is expected to reject the government's latest austerity measures on Wednesday, setting the stage for the possible collapse of the minority Socialist administration a day before a European summit.
- **Prime Minister Jose Socrates** has said he will resign if the plan is defeated. He has said its rejection would force the debt-laden country to follow Greece and Ireland and seek an international bailout, which he opposes.

- All opposition parties have proposed resolutions calling for the rejection of the measures, which reduce pensions and state spending.
- The main opposition Social Democrats, who have previously backed austerity, have begun talking about a snap election.
- The Socialists have 97 of parliament's 230 seats and have now no allies on whom they can rely. The plan needs at least 116 votes to pass.
- The government had hoped to obtain support for its plan before Thursday's EU summit, which is expected to approve a beefed-up euro zone rescue fund.

Q+A - What steps is euro zone taking on debt crisis?

European Union leaders meet on March 24-25 to try to seal a deal on a "comprehensive" package of measures addressing the euro zone debt crisis.

Most of the steps in the package have already been agreed in principle over the past couple of months, but all are awaiting final approval this week.

HIGHER EFFECTIVE LENDING CAPACITY FOR THE EFSF

Euro zone leaders have agreed to increase the effective lending capacity of the **European Financial Stability Facility, the zone's bailout fund**, to its nominal value of 440 billion euros from the current effective capacity of around 250 billion. The effective capacity is now lower than the nominal one because of the need to retain the EFSF's triple-A credit rating.

HOW WILL THE EFSF'S CAPACITY BE INCREASED?

This remains to be resolved. Top euro zone officials have said an increase in guarantees by all euro zone countries is the most likely solution. But this might force some governments to seek fresh approval from their parliaments, a problem in countries -- particularly Germany and Finland -- where public opinion is against bailouts.

EUROPEAN STABILITY MECHANISM

This will replace the EFSF when that facility expires in mid-2013. Euro zone leaders have agreed its effective lending capacity will be 500 billion euros. This will be backed by 80 billion euros of paid-in capital and 620 billion euros of mostly callable capital and some guarantees.

Although an agreement has been reached in principle, German Chancellor Angela Merkel indicated on Tuesday that she was not happy with the capital burden on Germany and was looking to renegotiate it, government sources said.

COLLECTIVE ACTION CLAUSES

To facilitate any debt restructurings under the ESM, governments have agreed that all new euro zone bonds issued from July 2013 will carry **Collective Action Clauses -- a legal text that will prevent the blocking of a debt restructuring deal by one bondholder at the expense of others.**

LOWER INTEREST RATES ON EFSF, ESM LOANS

Euro zone leaders have agreed that interest on new EFSF loans will be cut to "to better take into account debt sustainability of the recipient countries, while remaining above the funding costs of the facility, with an adequate mark-up for risk, and in line with the IMF pricing principles".

The same principles will apply to rates charged by the ESM. While the lower EFSF rates remain to be spelled out, finance ministers agreed that the ESM would lend for up to three years at its financing cost plus 200 basis points, and for longer than three years at the financing cost plus 300 bps.

The EFSF now charges, for variable rate loans, interest equal to three-month Euribor plus 300 bps for loans up to three years and Euribor plus 400 bps for longer loans. It also charges a one-off 50 bps fee -- well above International Monetary Fund lending rates. Ireland currently pays around 5.8 percent on its loans, which it says is punitive.

EFSF, ESM TO BUY COUNTRIES' BONDS AT AUCTION

Euro zone leaders have agreed that the EFSF will be able to buy troubled countries' bonds on the primary market -- that is, when they are auctioned by the sovereign.

The purchases will be possible only for countries which have agreed on an emergency aid programme with the euro zone, such as Greece or Ireland. The buying will not at present be available to Portugal because it has not asked for a bailout.

Euro zone leaders have rejected a suggestion, backed by the European Central Bank, for the EFSF to buy bonds on the secondary market. They also rejected other proposals such as having countries buy back their own bonds with EFSF financing, or flexible credit lines similar to IMF facilities.

BETTER TERMS ON CURRENT BAILOUT LOANS

Euro zone leaders have agreed to extend the maturity of current bailout loans to Greece to 7.5 years, doubling the repayment deadline. They also agreed to lower the interest on their bilateral loans to Greece by 100 bps.

Ireland, which also wants lower loan costs, has not so far obtained a reduction on its bailout loan interest because it did not want to "constructively engage" in talks on coordination of a common corporate tax base. The issue is still open and Dublin will make its case again at this week's summit, but it is not clear that there will be a breakthrough.

Government clears 14 FDI proposals worth Rs 1,290 crore

- The Government today approved 14 foreign direct investment (FDI) proposals, including that of Mauritius-based Ghir Investments, totalling Rs 1,289.85 crore.
- The **Foreign Investment Promotion Board (FIPB)**, however, deferred the decision on 27 proposals, including that of Essar Capital Holdings and Forbo Holding AG, Lindenstrasse, Switzerland and Verizon Communications, India.

- **The FIPB, which falls under the Finance Ministry**, gave its nod to the Kolkata-based Dhunseri Investments' FDI proposal worth Rs 715 crore.
- Ghir Investments, the Mauritius-based company proposes to bring in FDI worth Rs 530 crore.
- The other proposals, which were cleared, include that of Pipavav Shipyard, Gujarat, to undertake additional activity relating to defence sector and Kyuden International Corporation, Japan to set up a joint venture investment company to undertake downstream investments in the business of developing and establishing renewable power projects.
- The FIPB also rejected five proposals including those of Henry Lamotte India and Mecords India Ltd, Mumbai.
- **During April-January 2010-11, India received FDI worth Rs 77,902 crore (\$17.08 billion), down 29 per cent from Rs 1,09,668 in the same period last year.**
- The next meeting of the FIPB is scheduled to be held on April 20.

Abel Prize awarded to John Willard Milnor

- The **Norwegian Academy of Science and Letters** has chosen one of the living legends of mathematics, **John Willard Milnor** of the Institute for Mathematical Sciences in the University of Stony Brook, U.S.A, for the award of its prestigious Abel Prize for the year 2011.
- Professor Milnor will receive the Prize from His Majesty King Harald at an award ceremony in Oslo on May 24, 2011. The award carries 6 million Norwegian Kroner (approx. €750,000 or \$1 m.)
- The 2011 award is being given to Professor Milnor, as the citation notes, "*for [his] pioneering discoveries in topology, geometry and algebra.*" He has even made significant contributions in number theory.
- **The Prize is given in recognition of contributions of extraordinary depth and influence to mathematical sciences and has been awarded annually since 2003.**
- **The Prize is named after the great Norwegian mathematical genius, Niels Henrik Abel (1802-29)**, often compared with the Indian wizard Srinivasa Ramanujan, who died at a very young age of 26.
- The past winners include such illustrious names as Jean-Pierre Serr (2003), Sir Michael Atiyah and Isadore M. Singer (2004), Peter D. Lax (2005), Lennart Carleson (2006), Srinivasa S. R. Varadhan (2007), John Griggs Thompson and Jacques Tits (2008), Mikhail Leonidovich Gromov (2009) and John Torrence Tate (2010).
- **Professor Milnor has received all the major awards in Mathematics: He was awarded the Fields Medal in 1962, the Wolf Prize in 1989 and is the only person to have won all the three Steele Prizes of the American Mathematical Society (AMS) in 1982, 2004 and early this year for seminal contribution to research, for mathematical exposition and for lifetime achievement respectively. He also received the U.S. National Medal of Science in 1967.**

Drug-resistant TB to affect 2 million by 2015 – WHO Report

- By 2015 more than two million people will contract a form of tuberculosis (TB) resistant to standard drugs and the fight against it must be stepped up, the World Health Organisation said on Wednesday.
- In a report launched on **World TB Day**, the United Nations health body along with a global fund that directs money to the disease, called on world leaders to pay more towards a goal of diagnosing and treating a million people with **multidrug-resistant tuberculosis (MDR-TB)** between 2011 and 2015.
- "Commitments by some countries are too slow off the mark or simply stalled," said a WHO official. If governments fail to commit more funds "the efforts of the last 10 years will be completely undermined," he added.
- **Tuberculosis spreads through the air. If it is not effectively treated, each person with active TB can infect on average 10 to 15 people a year.**
- A separate report by the WHO's European office and the European Centre for Disease Prevention and Control (ECDC) last week found that **TB kills an estimated 1.7 million people each year and the worldwide number of new cases -- around 9.4 million -- is higher than at any other time in history.**
- **MDR-TB is a form of TB that does not respond to the standard treatments using first-line drugs, and leaving it untreated increases the risk of spread of drug resistant strains of TB. The WHO said it estimates there will be more than 2 million new cases of MDR-TB between 2011 and 2015.**
- According to latest data from the WHO, there were an estimated 440,000 new MDR-TB cases in 2008, with **three countries -- China, India and Russia -- accounting for more than 50 percent of all cases globally.** Around 150,000 people died from MDR-TB in that year.

Revised National Tuberculosis Control Programme (RNTCP)

- Having achieved the global objectives of a new 70 per cent in case-detection and a treatment success rate of 85 per cent for the last three consecutive years, the **Revised National Tuberculosis Control Programme (RNTCP)**

is being further revised with the objective of universal access to quality TB care for all patients.

- **Under the universal Access, all TB patients, including vulnerable and marginalised persons, will have access to early quality diagnosis and treatment.** The intermediate target is to detect 90 per cent of all cases and successfully treat 90 per cent of them by 2015.
- The new initiative of universal access will also be marked by the launch of a new DOTS logo that will be in use from **World TB Day** on Thursday. The new slogan — “DOTS: Pura Course, Pakka Ilaaj” — (complete DOTS course, total cure) signifies a response to the emerging challenges regarding tuberculosis and its manifestations in the form of multi-drug resistant TB (MDR-TB) and co-infection with HIV.
- The RNTCP is being implemented following the WHO-recommended **Directly Observed Treatment Short Course (DOTS)** strategy that provides a sure cure for tuberculosis with 6-8 months course and is available free of cost in the entire country.
- **India's DOTS programme is the largest in the world in terms of patients initiated on treatment, placing on an average of more than 1, 25,000 patients on treatment every month.**
- **Since its inception, the RNTCP has initiated over 12.8 million patients on treatment, thus saving more than 2.3 million lives.**
- The programme has started responding to challenges such as TB-HIV and MDR-TB. TB-HIV collaborative services were initiated in the year 2000; The programme has initiated treatment of MDR-TB since 2007 and is currently being implemented in 12 States.
- The RNTCP has prioritised MDR-TB treatment services and these will be available in the entire country by 2011 end.
- The diagnosis of MDR-TB is laboratory-based. It is conducted at specialised accredited laboratories. The programme is committed to develop 43 such laboratories across the country. Till date, 25 such laboratories have been established for the diagnosis of MDR-TB.

Indian surgeon Devi Shetty targets medical tourism in Cayman Isles

Renowned Indian heart surgeon **Devi Shetty, a pioneer of telemedicine in India**, has struck a deal to build a 2,000-bed healthcare city in the Cayman Islands to target American patients and insurers searching for deeply discounted medical care.

The British Caribbean territory agreed to the deal with Dr. Shetty, a low-cost healthcare pioneer renowned as *Mother Teresa's heart surgeon*.

The healthcare city will cost about \$2 billion and encompass a hospital, medical university and assisted-living facility and target American patients and insurance providers seeking deep cost reductions.

Construction is set to begin this year and is expected to be complete in about 18 months.

The project has attracted significant interest. Templeton emerging markets expert Mark Mobius, who oversees some \$50 billion in assets, recently said the project could be very attractive to outside investors.

Shetty would not discuss specific investors, although JP Morgan Chase & Co, American International Group Inc and the chairwoman of Biocon Ltd, a large Indian biotechnology firm, already own more than 25 percent of the Shetty family's Bangalore-based hospital group, **Narayana Hrudayalaya Private Ltd**.

Its 1,000-bed flagship hospital performs more than twice as many cardiac bypass surgeries and pediatric surgeries in a year than similarly sized U.S. hospitals.

Citing his high-volume, low-cost hospitals in India as his model, Shetty estimates the Cayman facility will draw 50 percent of its patients from the United States.

U.S. insurers and employers are under pressure to reduce costs for high-tech procedures for heart, cancer, orthopedics, nuclear medicine and organ transplants, Shetty said.

"It will be much easier for insurance companies to buy an air ticket and ask them to go to the Cayman Islands and get a heart bypass done and have a two-week beach holiday and come back at perhaps less than 50 percent of the cost," he said.

The average cost for a heart bypass is \$144,000 in the United States, five times higher than neighboring Mexico at \$27,000. Costa Rica charges \$25,000 and Colombia \$14,800 for the same procedure, the Medical Tourist Association said.

Even with the higher cost of doing business in the Cayman Islands, Shetty estimates a heart bypass will cost less than \$10,000.

Medical tourism is still considered a niche market. But an estimated 1.3 million Americans will seek medical care outside of the United States in 2011 with 35 percent annual growth, according to a Deloitte report.

Last month, a 4-year-old Cayman girl was flown to Shetty's hospital in Bangalore for successful surgery to repair two holes in her heart. Surgeons in Jamaica said the operation was too complex and the child's medical insurance was insufficient to cover the \$800,000 cost of the surgery the United States.

"We could do it virtually free. It is all because of volume," Shetty said.

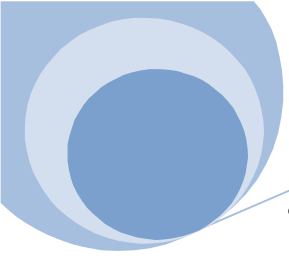
SPORTS

Cricket - Pakistan cruises into Semis

- Pakistan swaggered into the World Cup semi-finals on Wednesday with a comprehensive 10-wicket victory over a feeble West Indies' side.
- They will now face the winners of Thursday's match between defending champions Australia and co-hosts India in Mohali on March 30 for a place in the Mumbai final on April 2.
- Captain Shahid Afridi, who said before the game that the spirit in the world's most volatile side was the best he could recall, again led by example on Pakistan's national day.
- He took a smart catch at mid-off to help dismiss the West Indies' dangerman Chris Gayle for eight then took four for 30 to take his tournament tally to 21 and overtake Imran Khan's Pakistan record haul at a single World Cup. A
- West Indies' total of 112 from 43.3 overs was their third lowest at a World Cup and their ninth anywhere.
- Pakistan sped to their victory target from 20.5 overs with man-of-the-match Mohammad Hafeez stroking 61 not out after taking two cheap wickets with his off-spinners.

Chess - Anand beats Carlsen in blindfold of Amber Tournament

- **World Champion Viswanathan Anand** defeated his nearest rival **Magnus Carlsen of Norway** in the blindfold game to go one up in the ninth-round mini-match of the Amber Blindfold and Rapid Chess Tournament in Monaco.
- Trailing heavily before the start of this round, Anand came up with some absorbing maneuvers to get an early lead against **Carlsen, the youngest ever world number one** according to FIDE charts.
- The victory in blindfold meant a lot to Anand as he could now be in a chance to be nearer to Armenian Levon Aronian who held a three point lead against the Indian ace with just three rounds to come in the unique event that features one blindfold and one rapid game in each round.



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- Aronian defeated Vladimir Kramnik of Russia to let the status quo remain as far as the distance in lead with Anand is concerned.