

DEVELOP INDIA

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ALLAHABAD

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CENSUS 2011

India's 15th National census has begun on May 1, 2010. The census was conducted in two phases. According to the provisional reports released on March 31, 2011, the Indian population increased to 1.21 billion with a decadal growth of 17.64%. Adult literacy rate increased to 74.04% with a decadal growth of 9.21%. India's population is now pegged at 1.21 billion, an increase of more than 181 million in the last 10 years, according to the provisional 2011 Census report released on March 31 2011. The population comprising 623.7 million males and 586.5 million females is almost equal to the combined population of the United States, Indonesia, Brazil, Pakistan, Bangladesh and Japan put together. The population has increased by more than 181 million during the decade 2001-2011.

Nine Remember Points

1. Administrative Units: Census 2011 covered 35 States/Union Territories, 640 districts, 5,924 sub-districts, 7,935 Towns and 6,40,867 Villages. In Census 2001, the corresponding figures were 593 Districts, 5,463 sub-Districts, 5,161 Towns and 6,38,588 Villages. There is an increase of 47 Districts, 461 Sub Districts, 2774 Towns (242 Statutory and 2532 Census Towns) and 2279 Villages in Census 2011 as compared to Census 2001.

2. Population: As per the Provisional Population Totals of Census 2011, the total population of India was 1210.2 million. Of this, the rural population stands at 833.1 million and the urban population 377.1 million. In absolute numbers, the rural population has increased by 90.47 million and the urban population by 91.00 million in the last decade. Uttar Pradesh has the largest rural population of 155.11 million (18.62% of the country's rural population) whereas Maharashtra has the highest urban population of 50.83 million (13.48% of country's urban population) in the country.

3. Growth Rate: The growth rate of population for India in the last decade was 17.64%. The growth rate of population in rural and urban areas was 12.18% and 31.80% respectively. Bihar (23.90%) exhibited the highest decadal growth rate in rural population.

4. Proportion of Population: In percentage terms, the rural population formed 68.84% of the total population with the urban population constituting 31.16% (increase of 3.35%). Himachal Pradesh (89.96%) has the largest proportion of rural population, while Delhi (97.50%) has the highest proportion of urban population. The EAG States have a lower percentage of urban population (21.13%) in comparison to non EAG States (39.66%).

5. Sex Ratio: The Sex Ratio in the country which was 933 in 2001 has risen by 7 points to 940 in 2011. The increase in rural areas has been 1 point from 946 to 947. The same in urban areas has been 26 points from 900 to 926. Kerala has the highest sex ratio in total (1084), rural (1077) and urban (1091). In rural, Chandigarh (691) and in urban, Daman & Diu (550) show the lowest sex ratio in the country respectively. Eight states namely Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Bihar, Jharkhand, Chhattisgarh, Maharashtra, Karnataka and 1 UT Lakshadweep show fall in the sex ratio in rural area and 2 UTs Daman & Diu and Dadra & Nagar Haveli in urban areas.

6. Child Population (0-6 years): Out of the child population of 158.8 million in the age group of 0-6 in the country the rural child population stands at 117.6 million and urban at 41.2 million in 2011. The Child population has declined by 5.0 million in the country – decline of 8.9 million in rural areas and increase of 3.9 million in urban areas. The Country has observed a decline in the percentage of child population in the age group 0-6 years by about 3 percentage points over the decade - rural areas show a decline of about 3 % and urban a decline of 2%. The growth rate of Child population has been -3.08% in the last decade (Rural- (-)7.04%; Urban- (+)10.32%).

7. Child Sex Ratio (0-6 years): Census 2011 marks a considerable fall in child sex ratio in the age group of 0-6 years and has reached an all time low of 914 since 1961. The fall has been 13 points (927-914) for the country during 2001-2011. In rural areas, the fall is significant - 15 points (934-919) and in urban areas it has been 4 points (906-902) over the decade 2001-2011. Delhi (809) has recorded the lowest and Andaman & Nicobar Islands (975) the highest child sex ratio in rural areas. Haryana (829) has recorded the lowest and Nagaland (979) the highest child sex ratio in urban areas.

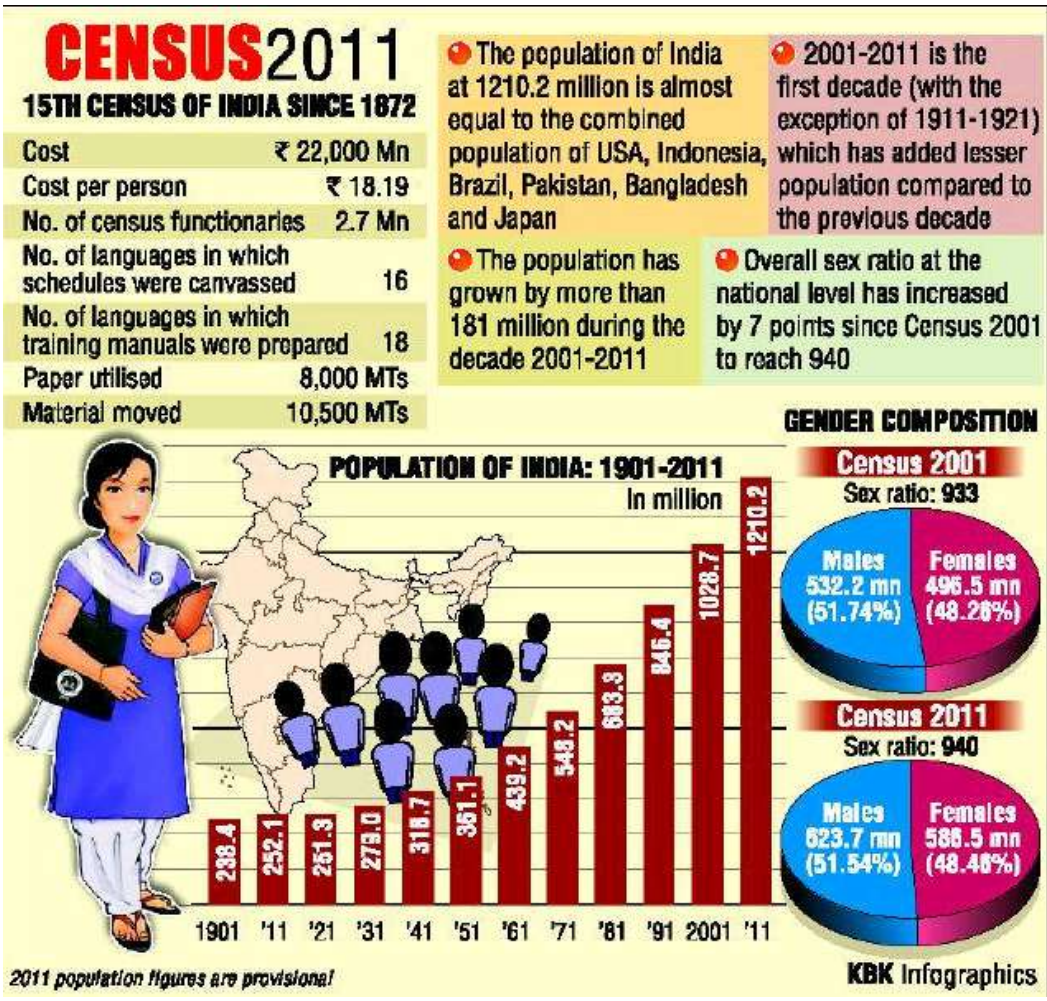
8. Number of Literates: As per the Provisional Population Totals of Census 2011, the number of literates in India was 778.5 million. Of this, 493.0 million literates were in rural areas and 285.4 million literates in urban areas. Out of an increase of 217.8 million literates over the decade 2001-2011, rural areas accounted for 131.1 million and urban areas 86.6 million. The highest number of rural literates has been recorded in Uttar Pradesh (88.4 million). Maharashtra (40.8 million) has recorded the highest number of literates in urban areas.

9. Literacy Rate: The Literacy Rate of India as per the Provisional Population Totals of Census 2011 is 74.04. In rural areas the Literacy Rate is 68.91 and in urban areas it is 84.98. The decadal change works out to 9.21 points - 10.17 points in rural areas and 5.06 points in urban areas respectively. The male Literacy Rate which is 82.14 (Rural- 78.57; Urban- 89.67) is higher than the female Literacy Rate of 65.46 (Rural- 58.75; Urban- 79.92). The increase in female literacy rate is significantly higher in all areas i.e. total (11.79 points), rural (12.62 points) and urban (7.06 points) in comparison to corresponding male literacy rates - total (6.88 points), rural (7.87) and urban (3.40 points) over the decade. It is significant to note that the gap in literacy rate among males and females has reduced to 16.68 in the country. The gap is 19.82 points in rural areas and 9.75 points in urban areas. Kerala (92.92) ranks first in rural areas whereas Mizoram (98.1) ranks first in urban areas. As far as Male literacy rate is concerned, Kerala (95.29) ranks first in rural areas whereas Mizoram (98.67) ranks first in urban areas. Rajasthan (46.25) has recorded lowest female literacy rate in rural areas, whereas, Jammu & Kashmir (70.19) has the lowest female literacy rate in urban areas. Lowest male literacy rate in rural areas has been recorded in Arunachal Pradesh (68.79) and in urban areas in Uttar Pradesh (81.75).

India's population is projection

India's population is projected to overtake China's by 2025 and its large youth population means it can look forward to a demographic dividend that includes ample supply of labour, rising productivity and plenty of younger workers to fund the pensions of those who have retired. The responsibility of conducting the decennial Census rests with the Office of the Registrar General and Census Commissioner, India under Ministry of Home Affairs, Government of India. It may be of historical interest that though the population census of India is a major administrative function; the Census Organisation was set up on an ad-hoc basis for each Census till the 1951 Census. The Census Act was enacted in 1948 to provide for the scheme of conducting population census with duties and responsibilities of census officers. The Government of India decided in May 1949 to initiate steps for developing systematic collection of statistics on the size of population, its growth, etc., and established an organisation in the Ministry of Home Affairs under Registrar General and ex-Officio Census Commissioner, India. This organisation was made responsible for generating data on population statistics including Vital Statistics and Census. Later, this office was also entrusted with the responsibility of implementation of Registration of Births and Deaths Act, 1969 in the country.

POPULATION ¹	Persons	1,21,01,93,422	
	Males	62,37,24,248	
	Females	58,64,69,174	
DECADAL POPULATION GROWTH 2001-2011	Absolute	Percentage	
	Persons	18,14,55,986	17.64
	Males	9,15,01,158	17.19
	Females	8,99,54,828	18.12
DENSITY OF POPULATION ² (per sq. km.)		382	
SEX RATIO (females per 1000 males)		940	
POPULATION IN THE AGE GROUP 0-6 ¹	Absolute	Percentage to total population	
	Persons	15,87,89,287	13.12
	Males	8,29,52,135	13.30
	Females	7,58,37,152	12.93
LITERATES ¹	Absolute	Literacy rate	
	Persons	77,84,54,120	74.04
	Males	44,42,03,762	82.14
	Females	33,42,50,358	65.46



GLOBAL BUSINESS GROUPS WARN INDIA OVER TAX PLAN

International trade groups representing more than 250,000 companies have warned Prime Minister Manmohan Singh that new taxation proposals by his government have led foreign businesses to reconsider their investments. The union budget last month outlined a proposal to allow authorities to make retroactive tax claims on overseas deals and bring in new anti-tax-avoidance measures, moves that have been criticised for further denting investor sentiment. On April 2, 2012, George Osborne, Britain's finance minister, raised his concerns over the issue with his Indian counterpart Pranab Mukherjee. The warning, contained in a letter from seven foreign business groups, is the broadest criticism yet by the overseas business community of an Indian government that has failed to enact economic reforms to spur investment and revive growth.



"The sudden and unprecedented move...has undermined confidence in the policies of the Government of India towards foreign investment and taxation and has called into question the very rule of law, due process, and fair treatment in India," the groups said in a March 29 letter to Singh seen by Reuters.

"This is now prompting a widespread reconsideration of the costs and benefits of investing in India," continued the letter, signed by bodies including the U.S.-based Business Roundtable, the Confederation of British Industry, the Japan Foreign Trade Council and Canadian Manufacturers & Exporters.

The Business Roundtable is chaired by Boeing Co Chief Executive James McNerney and represents companies with more than \$6 trillion in revenue. India's reputation among global investors has taken a beating over the past year as the government has lurched from crisis to crisis, including a botched attempt to allow foreign supermarkets into the country and a long-running stand-off with South Korea's POSCO over a \$12 billion steel plant. Sluggish investment is partly to blame for slowing growth in Asia's third-largest economy, which grew an annual 6.1 percent in the December quarter, the weakest in nearly three years.

INCREASING UNCERTAINTY

Policy confusion in India's telecom sector over the tainted allocation of mobile licences in 2008 recently saw Abu Dhabi's Etisalat announce the winding down of its Indian operations. Norway's Telenor has also been embroiled in a dispute with its Indian partner, Unitech Ltd, and has said it would seek to migrate the business to a fresh venture with a new partner. The tax proposal, if written into law, could also affect Kraft Foods Inc's 2010 acquisition of Cadbury's Indian business and deals involving Indian assets sold by AT&T Inc and SABMillerPlc's purchase of Fosters. In the letter, the business groups said a plan to expand the definition of "royalty" retrospectively to 1976 would affect companies such as Ericsson. "India will lose significant ground as a destination for international investment if it fails to align itself with policy and practice around the world," the letter said. A long-running tax struggle between London-listed Vodafone Group Plc, India's largest overseas investor, and the Indian government has come to symbolise the perils to foreign investors in the country. Vodafone won a five-year legal battle in January when India's Supreme Court dismissed a \$2.2 billion tax demand from authorities over the British company's acquisition of Hutchison Whampoa Ltd's Indian mobile assets in 2007. That ruling was hailed by business groups as a victory for clarity in the country's investment climate, which has suffered due to policy paralysis, regulatory uncertainty and widespread corruption allegations against the government. But the proposal in the recent budget to retroactively impose tax on deals conducted overseas where the underlying asset is located in India would amend 50-year-old-tax laws and allow New Delhi to pursue tax on long-concluded transactions.

"What India needs, like all countries, is a stable and predictable tax system to encourage investments, and we have concerns that this budget proposal would not add to that," Osborne said, adding he had raised his concern with Mukherjee. Parliament is expected to consider the proposals during the last week of April. "Some of our member companies had already begun re-evaluating their investments in India due to increasing levels of controversy and uncertainty regarding taxation in recent years," the letter said. Foreign direct investment (FDI) in India stood at \$35.3 billion in the first nine months of the 2011-12 fiscal year, powered by two multi-billion-dollar energy deals, more than the \$32.9 billion registered in the 12 months to March 2011, according to data from the Reserve Bank of India. India needs increasing FDI and foreign institutional inflows to offset a rising trade deficit, which is likely to have hit \$175 to \$180 billion in the year that ended in March.

India is one of the few emerging market economies which runs a trade deficit, equivalent to about 9 percent of GDP. That means it is dependent on foreign capital flows. If the latest tax spat goes beyond sulking and investment actually starts to freeze up, India could face a balance of payments crisis.

The coordinated letter from international trade associations - including America's Business Roundtable and the Confederation of British Industry - was sparked by New Delhi's decision to retrospectively change the laws on capital gains tax. It is as much a rallying cry to investors as it is a message to the India government.

Indian's annual financing requirement of \$119 billion is the highest in Asia, according to Nomura. Its trade deficit for the fiscal year ending in March 2012 has been estimated at a record \$175-180 billion by the Commerce Ministry, up from \$104 billion a year ago. Last year around \$63 billion was invested from overseas in the Indian economy. Half came from foreign direct investment (FDI) and the other half from portfolio investors. Another \$60 billion came into India through remittances from overseas workers. With the trade deficit rising on the back of higher oil imports, India needs to be increasing foreign inflows not shooing them away. The government may believe investors will continue to see the returns in India as outweighing the additional tax burden. Even Vodafone (VOD.L), which is bearing the brunt of the retrospective tax legislation, may not exit what is still one of the world's fastest growing markets. But India doesn't need an exodus of capital for a crisis to manifest itself. All that would take is if for new money to dry up. That's why a letter from some of the world's largest trade associations should worry the Indian government. It follows a similar salvo from the Securities Industry and Financial Markets Association, which represents institutional investors, last week.

New Delhi may be quite justified in pursuing reform of its investment tax regime to close loopholes. But retrospectively changing tax laws has rightly got foreign investors hot under the collar. The government should remember that there won't be any revenue to tax if investments dry up.

Weekly Current Affairs

Slovakia’s Krasna Horka castle destroyed in fire

A massive fire has swept through one of the best-preserved castles in Slovakia, destroying much of the historic building. Smoke was spotted billowing from



Krasna Horka after the final tour of the building on Saturday, and it is thought many precious artefacts kept at the castle may have been lost.

Krásna Hôrka is a castle in Slovakia, towering over the village Krásnohorské Podhradie near Rožňava, Košice Region. The first written mention of the castle is from 1333. Since 1961, Krásna Hôrka is a National Cultural Monument of the Slovak Republic. It was said to be one of the country’s “best-preserved” castles. The castle was extensively damaged by fire on 10 March 2012.

The beginnings of the castle are linked to Ákos brothers, who started building it in the 13th century on a trade route leading from Transylvania through Košice to Spiš and today’s Poland. The Ákos family (which later changed its name to Bebek) resided in Krásna Hôrka from the mid-13th century to 1566, except for a short period when the Mariássy family took up the power over the castle. In 1578 the castle passed into the hands of Péter Andrássy and remained in the possession of the Hungarian Andrássy family up to 1918 (the year of establishing of the First Czechoslovak Republic). During 2010 and 2011, the castle underwent renovation and was re-opened to public in April, 2011. 2012 fire

On 10 March 2012, the castle caught fire, allegedly due to burning of dry grass by two children who were trying to light cigarettes. The roof of the castle, the exposition in the Gothic palace and the bell tower were completely destroyed. The heat melted down three bells from the bell tower. The building sustained extensive damage; initially, it was thought that many of its historic artifacts were destroyed. However, according to the Interior Minister of Slovakia Daniel Lipšic, “...the vast majority of exhibits remained undamaged”. Daniel Krajcer, Minister of Culture, commented that only the upper part of the castle (including collections) was destroyed. The Slovak National Museum stated that 90% of the collections were undamaged. According to the firemen who intervened during the incident, the fire started as a consequence of incautious burning of dry grass. On 11 March 2012, the police spokesman of the Košice region stated that “the grass caught fire after two boys (aged 11 and 12) attempted to light up a cigarette.” Following that, the fire spread and reached the castle.

Balwant Singh's Execution on hold Pending President's Order on Mercy Petition

As per guidelines/instructions in force, if a mercy petition is submitted on behalf of the sentenced prisoner, the execution of the sentence shall be postponed pending receipt of orders on the petition. Hence, the attention of the Government of Punjab was drawn to the above guidelines/instructions. On 28.3.2012, the President's Secretariat forwarded a memorandum submitted by the Shiromani Gurudwara Prabhandhak Committee and the Delhi Sikh Gurudwara Management Committee for commutation of the death sentence on Balwant Singh Rajoana. However, it may not be construed that MHA has expressed any opinion on the merits of the mercy petition. The mercy petition will be examined in accordance with law/ instructions.

Arab state heads to meet in Baghdad

Arab Heads of States will meet today at the Arab Summit in Baghdad to discuss the developments in the region. Syria would be on the top of agenda along with developments in Iran, Yemen, Sudan and Somalia. The repercussions of Arab spring in the region is likely to dominate the proceedings. After a gap of two decades, Arab Heads of States are meeting in Baghdad. The Green Zone in the capital has been converted into a fortress amid threats of strikes by the Al Qaeda in Iraq. Arab leaders would discuss how to counter the resurgence of Al Qaeda in Iraq and Yemen. Syria continues to be the prime concern and the opinion is divided among the 21 member bloc on how to tackle the Syrian crisis. Tensions over Iran's nuclear program and maintaining a steady flow of oil supplies and oil prices would be a major concern. Arab Spring and its aftermath in the form of ouster of four long standing regimes in Tunisia, Egypt, Libya and Yemen would be high on the agenda. Libya and Sudan have yet to come to terms with tribal and ethnic strife. Somalia continues to remain on the brink of tribal divide. The region is in a state of flux and the Arab leadership has its task cut out to deliver to the people in time.

Italy seizes \$1.5 bln of Gaddafi's family assets

Italy has seized assets worth 1.5 billion dollars controlled by the family of slain Libyan dictator Muammar Gaddafi. The move followed a request by the International Criminal Court in The Hague, which is seeking the extradition of Gaddafi's son Seif al-Islam from Libya on charges of crimes against humanity. The seized assets include fixed and moveable assets, company stock and bank accounts connected to the family of Muammar Gaddafi and his entourage. Shares in top Italian firms, including the nation's largest banking group UniCredit, oil major ENI and carmaker Fiat were among the seized assets. Police said they also confiscated stock in the football club Juventus, a building in Rome, 150 acres of forest on the island of

Pantelleria and two cars. A rogatory commission at the ICC requested the assets to be seized following the investigation into Gaddafi's son and his former intelligence chief Abdullah Senussi, who is also a brother-in-law of the slain Libyan leader.

NDA & Naval Academy Examination (I) 2012

The Union Public Service Commission (UPSC) will be conducting the National Defence Academy and Naval Academy Examination (I) 2012 at different venues located in 41 centres throughout the country on 15.04.2012 (Sunday). The e-admission Certificates for the candidates have been uploaded on the Commission's web-site which may be down loaded. Letters of rejection to the candidates stating reasons (s) for rejection are being issued. If any applicant is not able to down load e-admission certificate he may contact UPSC Facilitation Counter on Telephone Nos. 011-23381125, 011-23385271 and 011-23098543 between (10:00 A.M to 5:00 P.M) on working days during working hours. The candidate may also send fax message on Fax No. 011-23387310. The candidate may note that no paper admission certificate will be issued by post. The candidate may also get "Venue information" through interactive Voice Response System (IVRS) of the Commission's by dialling 011--23074458.

In case the photograph is not printed or available on the e- Admission Certificate, candidates are advised to carry two photographs (one identical photograph for each session) along with proof of identity such as Identity Card etc. and printout of e-Admission Certificate at the venue of the Examination. Candidates are advised to check their e-mail in case they have sent any representation.

Atomic Energy Program

The major achievements have been development of indigenous nuclear power reactor and associated fuel cycle technologies for the country's three-stage nuclear power program in an international isolation and technology denial regime that lasted from 1974 to 2008. Today India is recognized globally as a country having advanced technology with impeccable non-proliferation record. Giving further details in reply to a question in Lok Sabha today the Minister of State in PMO Shri V. Narayansamy said that in the last three years, three nuclear power reactors (3x220 MS) have been commissioned successfully. Construction of 4 indigenously designed Pressurized Heavy Water Reactors of 700 MW each have been started. Bilateral cooperation agreements have been signed with several countries. The Minister stated that as per the provisions of the Atomic Energy Act, 1962 foreign equity investment in nuclear power projects is not permitted. Therefore, foreign funding can only be in the form of debt. Currently, the Kudankulam project is being set up with Russian state credit of Rs. 6416 crore. In respect of future projects, foreign debt either as state credit, banks or multilateral funding agencies is envisaged. Revealing further on the matter Shri Narayansamy said that the Central Government has signed fuel supply contracts with Russian Federation, Kazakhstan and France. He said France has completed supply of the contracted quantity. With Russian Federation and Kazakhstan, there are long term fuel supply agreements. Supplies are being received regularly. The land acquisition at Fatehabad, Haryana is progressing in accor-

The World at 7 Billion

Seven billion people had inhabited on the earth on 31 October, 2011. This year's UNPF State of World Population report, People and Possibilities in a World of 7 Billion, looks at the the dynamics behind the numbers. It explains the trends that are defining our world of 7 billion and documents actions that people in vastly different countries and circumstances are taking in their own communities to make the most of their--and our--world. The Earth's population continues to grow but has dramatically slowed down over the last 50 years. Back in the early 1960s, experts feared the population would accelerate in exponential numbers and one State Department study said the seven billion mark would be reached in 2000. The UN thought that mark would be reached in 2009. Demographers at the United Nations Population Division set 31st October 2011, as the symbolic date for reaching 7 billion, while acknowledging that it's impossible to know for sure the specific time or day. Meanwhile, all eyes are on the village of Sunheda in Uttar Pradesh's Baghpat district. The United Nation's Population Fund claims that the world's seven billionth baby will be born in Sunheda village on 31st October. Statistics show that 51 babies are born every minute in India, of these 11 babies are born in Uttar Pradesh alone. So as per the UN body's calculations, the world's 7 billionth inhabitant was born in Uttar Pradesh. According to estimates, global population is set to rise to at least 10 billion by 2100. China tops the chart with 20% of the total population, followed by India with 18%. America comes next with 5%, Indonesia 4% and Brazil stand at fifth position with 3% of the total population. A world of seven billion has implications for sustainability, urbanization, access to health services and youth empowerment – however, it also offers a rare call-to-action opportunity to renew global commitment for a healthy and sustainable world.

The report makes the case for sound planning and investing in people. The milestone of 7 billion is marked by achievements, setbacks and paradoxes. While women are on average having fewer children than they were in the 1960s, our numbers continue to rise. Globally, people are younger—and older—than ever before. In some of the poorest countries, high fertility rates hamper development and perpetuate poverty, while in some of the richest countries; low fertility rates and too few people entering the job market are raising concerns about prospects for sustained economic growth and about the viability of social security systems. While labour shortages threaten to stymie the economies of some industrialized countries, unemployed would-be migrants in developing countries are finding more and more national borders closed to them and the expertise they may have to offer. And while progress is being made in reducing extreme poverty, gaps between rich and poor are widening almost everywhere.

world-populationThe State of World Population 2011 explores some of these paradoxes from the perspective of individuals and describes the obstacles they confront—and overcome—in trying to build better lives for themselves, their families, communities and nations. China and India: The Billionaires China and India recently released the findings of their latest censuses, giving the world a glimpse of how these two population behemoths are realigning in numbers and rates of growth. Below are the two countries in numbers, using official figures or United Nations projections. According to projections by the Population Division of the United Nations Department of Economic and Social Affairs, in 2025, India, with 1.46 billion People, will have overtaken China, with 1.39 billion, as the world's most populous nation. China's population will then, based on a medium variant, decline to about 1.3 billion by 2050. India will continue to grow to about 1.7 billion by 2060 before beginning to decline.

	<i>China</i>	<i>India</i>
Total population, 2011	1.3 5 billion	1.24 billion
Increase 2001–2011	69.7 million	170.1 million
Fertility rate	1.6	2.5
Year population likely to stabilize 2025	2026	2060

<i>Older Citizens in National Populations</i>	(percent) 60 or over	65 or over	80 or over
China	12.3	8.2	1.4
Egypt	8.0	5.0	0.7
Ethiopia	5.2	3.3	0.4
Finland	24.8	17.2	4.7
India	7.6	4.9	0.7
Mexico	9.0	6.3	1.3
Mozambique	5.1	3.3	0.4
Nigeria	5.0	3.2	1.1

The former Yugoslav Re. Of Macedonia 16.7 11 8 2
Source: Population Division of the United Nations Department of Economic and Social Affairs.

<i>International Migration</i>	
International migrant population, 2010	
Europe	69.8 million
Asia	61.3 million
North America	50.0 million
Africa	19.3 million
Latin America	7.50 million
Oceania	6.00 million
<i>Top-three migrant-sending countries and estimated diaspora in millions</i>	
China	35.0 million
India	20.0 million
The Philippines	7.00 million
<i>Countries hosting the largest number of international migrants in 2010</i>	
United States	42.8 million
Russian Federation	12.3 million
Germany	10.8 million
Saudi Arabia	7.30 million
Canada	7.20 million

dance with the Land Acquisition Act. It has reached to an advanced stage of conclusion. Of the 1313 acres to be acquired for the plant site, land holders of 1109 acres have already expressed their consent. Currently compensation for land to be acquired is being discussed with the state government. The apprehensions about safety of nuclear power, particularly post Fukushima are being addressed through sustained public outreach programs.

Indian-origin lawyer in Strauss-Kahn's defence team

An Indian-origin lawyer is part of the

defence team of embattled former IMF chief Dominique Strauss-Kahn who is fighting to have a civil lawsuit against him in a sexual assault case dismissed.



Amit Mehta, along with William Taylor and Hugh Campbell, is defending Strauss-Kahn in the civil

lawsuit filed against him by hotel maid Nafissatou Diallo in a Bronx court here. Diallo has accused Strauss-Kahn, a one time French presidential hopeful, of raping her in his luxurious hotel suite last year. Mehta presented Strauss-Kahn's case before Bronx Supreme court judge Douglas McKeon arguing that the case be dismissed as his client enjoyed diplomatic immunity, akin to that extended to a UN Secretary General, in his capacity as head of a multilateral organisation. According the Mehta's bio published in the legal periodical National Law Journal, the 39-year-old is a partner at Washington law firm Zuckerman Spaeder.

CENSUS 2011 IN MAPS AND GRAPHPES

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An Introduction

The Indian Census is the most credible source of information on Demography (Population characteristics), Economic Activity, Literacy and Education, Housing & Household Amenities, Urbanization, Fertility and Mortality, Scheduled Castes and Scheduled Tribes, Language, Religion, Migration, Disability and many other socio-cultural and demographic data since 1872. Census 2011 will be the 15th National Census of the Country. This is the only source of primary data in the village, town and ward level, it provides valuable information for planning and formulation policies for Central and the State Govern-

ments and is widely used by National and International Agencies, Scholars, business people, industrialists, and many more.

Number of Administrative Units in Census 2011

- State/Union Territories: 35
- Districts: 640
- Sub-districts: 5,924
- Towns: 7,938
- Villages: 6.41 Lakh

The cost of Census 2011 has been estimated at Rs 22,000 million, which works out to a per person cost of Rs.18.19. A total of 2.7 million functionaries worked in the conduct of the census. The census schedules were canvassed in 16 languages. A total of 340 million schedules were printed.

The Delimitation/reservation of Constituencies- Parliamentary/ Assembly/Panchayats and other Local Bodies is also done on the basis of the demographic data thrown up by the Census. Census is the basis for reviewing the country's progress in the past decade, monitoring the on going Schemes of the Government and most importantly, plan for the future. That is why the Slogan is "Our Census - Our Future".

Census 2011 covered 35 States/ Union Territories, 640 districts, 5,924 sub-districts, 7,935 Towns and 6, 40,867 Villages. In Census 2001, the corresponding figures were 593 Districts, 5,463 sub-Districts, 5,161 Towns and 6, 38,588 Villages. There is an increase of 47 Districts, 461 Sub Districts, 2774 Towns (242 Statutory and 2532 Census Towns) and 2279 Villages in Census 2011 as compared to Census 2001. The growth rate of population for India in the last decade was 17.64%. The growth rate of population in rural and urban areas was 12.18% and 31.80% respectively. Bihar (23.90%) exhibited the highest decadal growth rate in rural population.

India's population in 1901 was about 238.4 million, which has increased by more than four times in 110 years to reach a population of 1,210 million in 2011.

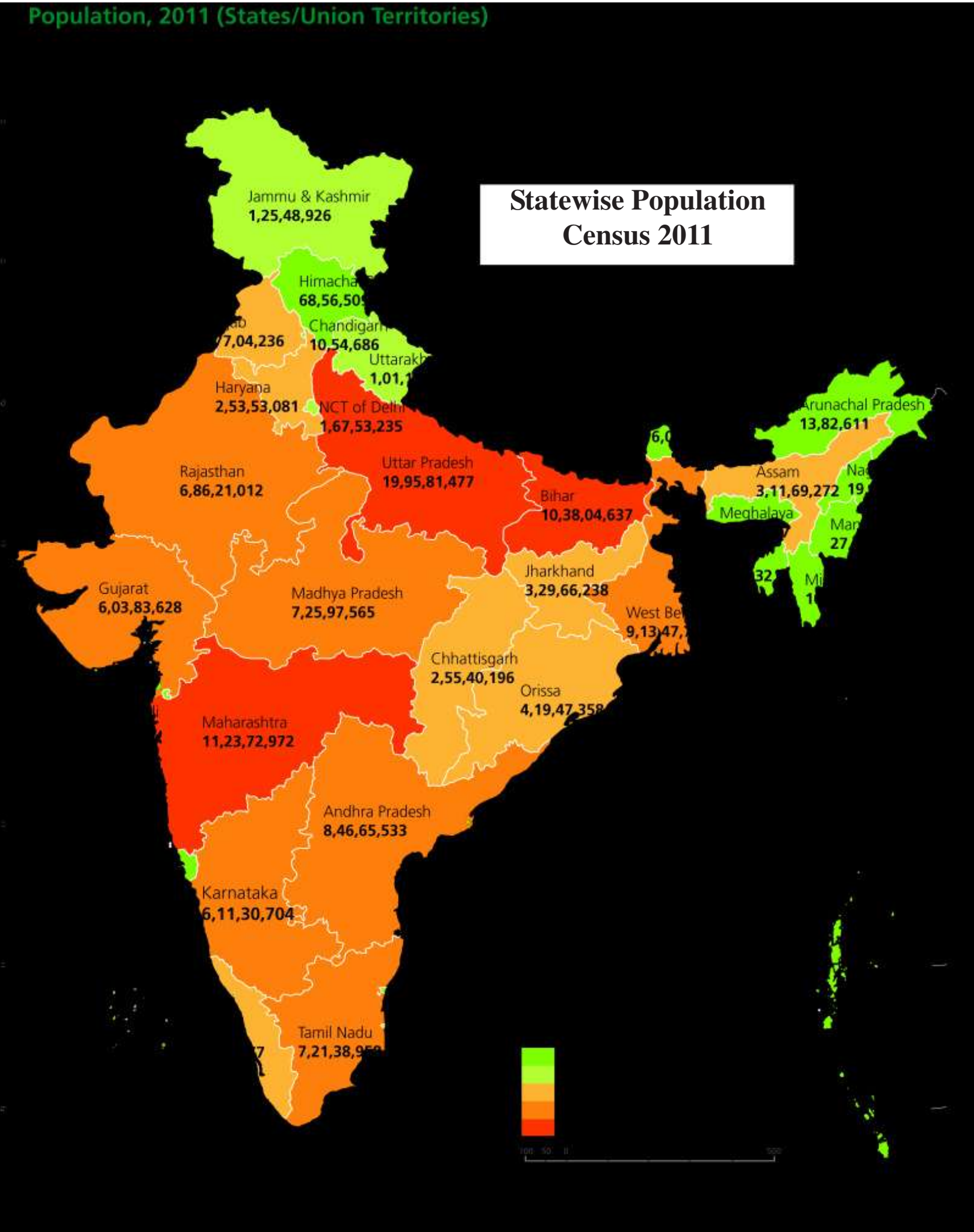
NEW FEATURES OF CENSUS 2011

The following fresh categories have been incorporated for comprehensive and better data:

- Gender: New category "Other" introduced in addition to Male and Female.
- Date of Birth question introduced along with Age.
- Current Marital Status: Separate codes Assigned for Separated and Divorced.
- New filter Question on SC/ST Introduced - "Is this person SC/ST?"
- Disability: Household Schedule of Census 2011 attempts to collect information on eight types of disabilities as against five included in the Household Schedule of Census of India 2001. The information is being collected on disabilities namely, disability 'In Seeing', 'In Hearing', 'In Speech', 'In Movement', 'Mental retardation', 'Mental Illness', 'Any Other' and 'Multiple Disability'.
- Literacy Status for "Other" sex added in addition to existing Male and Female.
- New Codes under Status of Attendance in Educational Institutions introduced for Not Attending viz., (i) Attended before and (ii) Never attended.
- Work: Marginal workers have been classified into two categories viz., (i) worked for 3 months or more but less than 6 months (ii) worked for less than 3 months. The definition of 'Main worker' remains the same.
- A separate code-5 has been included under Non-economic activity for renters.
- Migration - Provision to specify the present name of the Village/ Town of the Birth Place as well as the Place of Last Residence introduced.
- Name of the Institutional Household is also being recorded.

National Population Policy 2000

1. The overriding objective of economic and social development is to



improve the quality of lives that people lead, to enhance their well-being, and to provide them with opportunities and choices to become productive assets in society. 2. In 1952, India was the first country in the world to launch a national programme, emphasizing family planning to the extent necessary for reducing birth rates "to stabilize the population at a level consistent with the requirement of national economy"1 . After 1952, sharp declines in death rates were, however, not accompanied by a similar drop in birth rates. The National Health Policy, 1983 stated that replacement levels of total fertility rate2 (TFR) should be achieved by the year 2000.

3. On 11 May, 2000 India is projected to have 1 billion3 (100 crore) people, i.e. 16 percent of the world's population on 2.4 percent of the globe's land area. If current trends continue, India may overtake China in 2045, to become the most populous country in the world. While global population has increased threefold during this century, from 2 billion to 6 billion, the population of India has increased nearly five times from 238 million (23 crores) to 1 billion in the same period. India's current annual increase in population of 15.5 million is large enough to neutralize efforts to conserve the resource endowment and environment.

India's Demographic Achievement Half a century after formulating the national family welfare programme, India has:

- reduced crude birth rate (CBR) from 40.8 (1951) to 26.4 (1998, SRS);
- halved the infant mortality rate (IMR) from 146 per 1000 live births (1951) to 72 per 1000 live births (1998, SRS);
- quadrupled the couple protection rate (CPR) from 10.4 percent (1971) to 44 percent (1999);

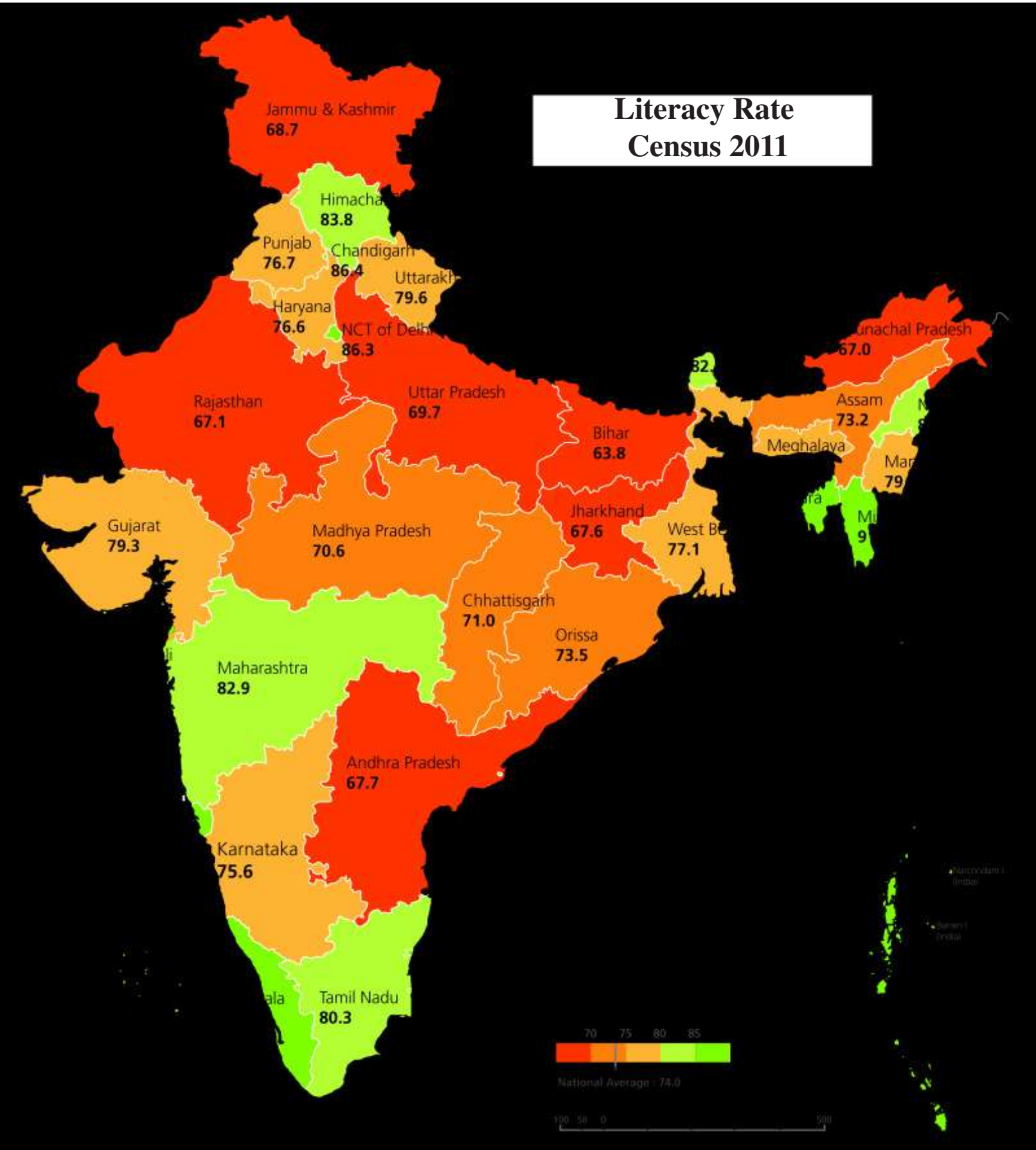
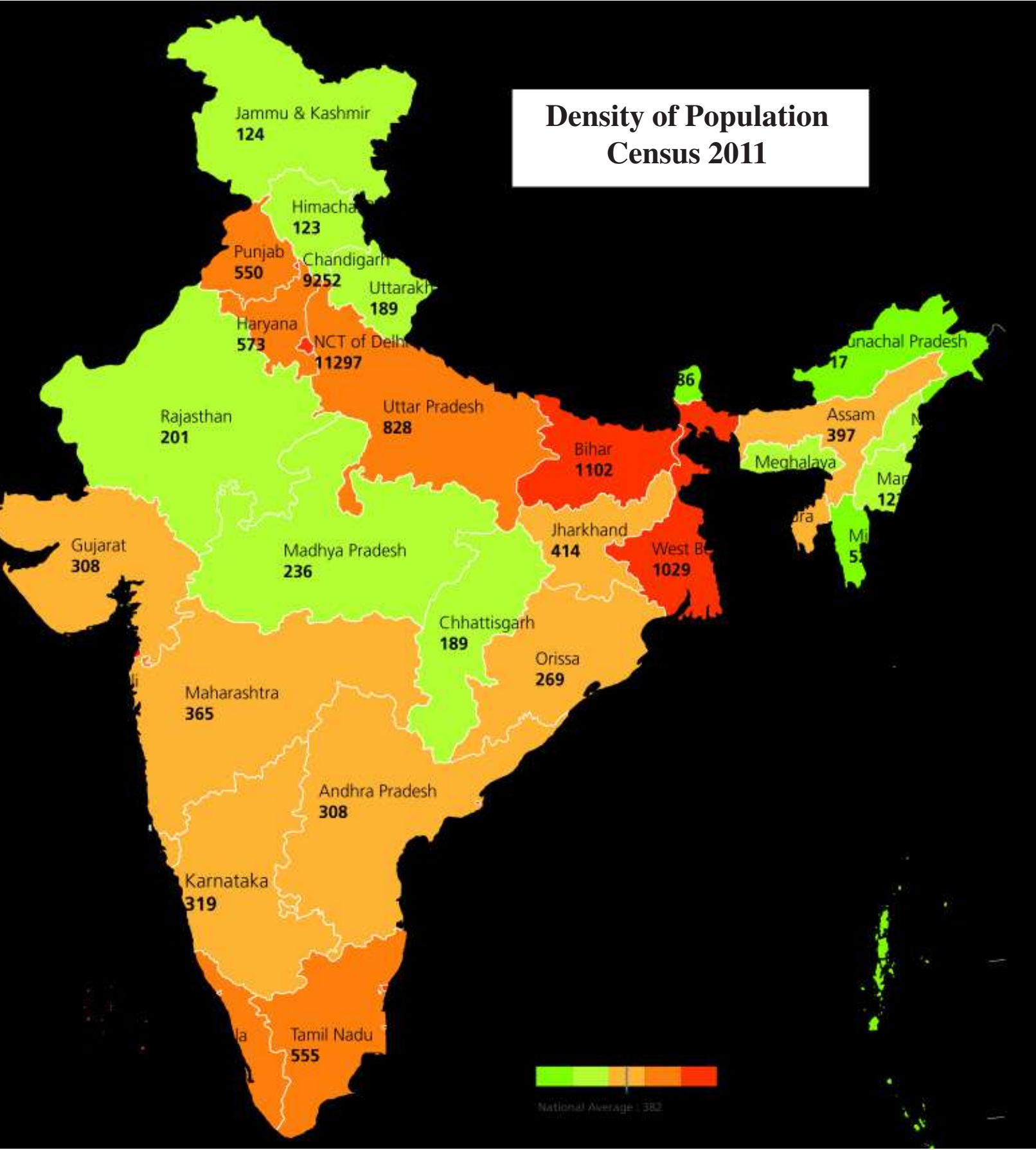


- reduced crude death rate (CDR) from 25 (1951) to 9.0 (1998, SRS);
 - added 25 years to life expectancy from 37 years to 62 years;
 - achieved nearly universal awareness of the need for and methods of family planning, and
 - reduced total fertility rate from 6.0 (1951) to 3.3 (1997, SRS).
- Stabilising population is an essential requirement for promoting

sustainable development with more equitable distribution. However, it is as much a function of making reproductive health care accessible and affordable for all, as of increasing the provision and outreach of primary and secondary education, extending basic amenities including sanitation, safe drinking water and housing, besides empowering women and enhancing their employment opportunities, and providing transport and communications.

● The National Population Policy, 2000 (NPP 2000) affirms the commitment of government towards voluntary and informed choice and consent of citizens while availing of reproductive health care services, and continuation of the target free approach in administering family planning services. The NPP 2000 provides a policy framework for advancing goals and prioritizing strategies during the next decade, to meet the reproductive and child health needs of the people of India, and to achieve net replacement levels (TFR) by 2010. It is based upon the need to simultaneously address issues of child survival, maternal health, and contraception, while increasing outreach and coverage of a comprehensive package of reproductive and child health services by government, industry and the voluntary non-government sector, working in partnership. ● ● ●





State /UT Code	India/State/Union Territory #	Total population			Percentage share in total population
		Persons	Males	Females	
01	Jammu & Kashmir	1,25,48,926	66,65,561	58,83,365	1.04
02	Himachal Pradesh	68,56,509	34,73,892	33,82,617	0.57
03	Punjab	2,77,04,236	1,46,34,819	1,30,69,417	2.29
04	Chandigarh #	10,54,686	5,80,282	4,74,404	0.09
05	Uttarakhand	1,01,16,752	51,54,178	49,62,574	0.84
06	Haryana	2,53,53,081	1,35,05,130	1,18,47,951	2.09
07	NCT of Delhi #	1,67,53,235	89,76,410	77,76,825	1.38
08	Rajasthan	6,86,21,012	3,56,20,086	3,30,00,926	5.67
09	Uttar Pradesh	19,95,81,477	10,45,96,415	9,49,85,062	16.49
10	Bihar	10,38,04,637	5,41,85,347	4,96,19,290	8.58
11	Sikkim	6,07,688	3,21,661	2,86,027	0.05
12	Arunachal Pradesh	13,82,611	7,20,232	6,62,379	0.11
13	Nagaland	19,80,602	10,25,707	9,54,895	0.16
14	Manipur	27,21,756	13,69,764	13,51,992	0.22
15	Mizoram	10,91,014	5,52,339	5,38,675	0.09
16	Tripura	36,71,032	18,71,867	17,99,165	0.30
17	Meghalaya	29,64,007	14,92,668	14,71,339	0.24
18	Assam	3,11,69,272	1,59,54,927	1,52,14,345	2.58
19	West Bengal	9,13,47,736	4,69,27,389	4,44,20,347	7.55
20	Jharkhand	3,29,66,238	1,69,31,688	1,60,34,550	2.72
21	Orissa	4,19,47,358	2,12,01,678	2,07,45,680	3.47
22	Chhattisgarh	2,55,40,196	1,28,27,915	1,27,12,281	2.11
23	Madhya Pradesh	7,25,97,565	3,76,12,920	3,49,84,645	6.00
24	Gujarat	6,03,83,628	3,14,82,282	2,89,01,346	4.99
25	Daman & Diu #	2,42,911	1,50,100	92,811	0.02
26	Dadra & Nagar Haveli #	3,42,853	1,93,178	1,49,675	0.03
27	Maharashtra	11,23,72,972	5,83,61,397	5,40,11,575	9.29
28	Andhra Pradesh	8,46,65,533	4,25,09,881	4,21,55,652	7.00
29	Karnataka	6,11,30,704	3,10,57,742	3,00,72,962	5.05
30	Goa	14,57,723	7,40,711	7,17,012	0.12
31	Lakshadweep #	64,429	33,106	31,323	0.01
32	Kerala	3,33,87,677	1,60,21,290	1,73,66,387	2.76
33	Tamil Nadu	7,21,38,958	3,61,58,871	3,59,80,087	5.96
34	Puducherry #	12,44,464	6,10,485	6,33,979	0.10
35	Andaman & Nicobar Islands #	3,79,944	2,02,330	1,77,614	0.03

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OPINION - EDITORIAL

WHAT’S THE FUTURE OF KINGFISHER AIRLINES?

Chitra Singh Rajput

Kingfisher Airlines is a breweries king Vijay Mallya most crazy airline. Currently Private sector air line king fisher is in bad shape with huge accumulated losses. So far the government has not yet changed the norms by which they can have a foreign partner in equity. If the new government liberalises the norms and allow overseas airline to have the stake they will survive otherwise there is going to be a big problem in aviation in India as both are not able to pay their petroleum bill to oil marketing company.

Kingfisher Airlines Limited is an airline group based in India. Its head office is in Andheri (East), Mumbai and Registered Office in UB City, Bangalore. Kingfisher Airlines, through its parent company United Breweries Group, has a 50% stake in low-cost carrier Kingfisher Red. The airline has been facing financial issues for many years. Until December 2011, Kingfisher Airlines had the second largest share in India’s domestic air travel market. However due to the severe financial crisis faced by the airline, it has the fifth largest market share currently, only above GoAir. Kingfisher Airlines was established in 2003. It is owned by the Bengaluru based United Breweries Group. The airline started commercial operations in 9 May 2005 with a fleet of four new Airbus A320-200s operating a flight from Mumbai to Delhi. It started its international operations on 3 September 2008 by connecting Bengaluru with London. The airline is currently going through some bankruptcy problems, forcing the airline to ground many destinations and aircraft. Kingfisher’s head office is located in The Qube in Andheri (East), Mumbai and its registered office is located in UB City, Bangalore. Its head office was previously in the Kingfisher House in Vile Parle (East), Mumbai. In 2012 Vijay Mallya was trying to sell the Vile Parle Kingfisher House. Kingfisher Airlines is one of the only seven airlines awarded 5-star rating by Skytrax along with Cathay Pacific, Qatar Airways, Asiana Airlines, Malaysia Airlines, Singapore Airlines, and Hainan Airlines Kingfisher operates 250 daily flights with regional and long-haul international services. In May 2009, Kingfisher Airlines carried more than 1 million passengers, giving it the highest market share among airlines in India. Kingfisher also owns the Skytrax award for India’s best airline of the year 2011. Kingfisher Airlines is also the sponsor of F1 racing outfit, Force India, which Vijay Mallya also owns. The **Kingfisher Airlines financial crisis** (commonly known as *Kingfisher crisis*) refers to a series of events that led to severe disruptions within Kingfisher Airlines. Ever since the airline commenced operations in 2005, it has been reporting losses. After acquiring Air Deccan, Kingfisher suffered a loss of over ₹1,000 crore (US\$199.5 million) for three consecutive years. By early 2012, the airline accumulated losses of over 7,000 crore (US\$1.4 billion) with half of its fleet grounded and several members of its staff going on strike. Kingfisher’s position intop Indian airlines on the basis of market share had slipped to 5 from 2 because of the crisis. In Nov 2010, Kingfisher Airlines has completed restructuring 8,000 crore (US\$1.6 billion) debt, with all 18 lenders agreeing to cut interest rates and convert part of loans to equity. Lenders have

converted 650 crore (US\$129.68 million) debt into preference shares which will be converted into equity when the airline lists on the Luxembourg Stock Exchange by selling global depositary receipts (GDR). Shares will be converted into ordinary equity at the price at which the GDRs are sold to investors. Besides the 1,400 crore (US\$279.3 million) debt which will be converted into preference shares, another 800 crore (US\$159.6 million) debt has been converted into redeemable shares for 12 years. Airline’s average interest rate is now down to 11%, helping the airline save 500 crore (US\$99.75 million) crore every year on interest cost. Consortium of banks was represented by SBI Capital Markets. Kingfisher Airlines Ltd has informed BSE that the Board of Directors of the Company at its meeting held on November 25, 2010, has approved a Debt Recast Package (DRP) with lending banks, following a one-time relaxation in restructuring guidelines sanctioned by the Reserve Bank of India. The salient features of the DRP include:



1. Conversion of debt of up to 1,355 crore (US\$270.32 million) from lenders into share capital.
 2. Conversion of debt of up to 648 crore (US\$129.28 million) from promoters into share capital.
 3. Reschedulement of repayment of the balance debt to lenders over 9 years with a moratorium of 2 years.
 4. Reduction in interest rates.
 5. Sanction of additional fund and non-fund based facilities by the lenders.
- Payment problems**
Kingfisher Airline has staff strength of 6,000 and spends 58 crore (US\$11.57 million) on salaries a month. According to the first quarter financial results, it has 173.66 crore (US\$34.65 million) under the employees cost head, which has increased from 163.40 crore (US\$32.6 million) during the same quarter last year. Kingfisher Airlines delayed salaries of its employees in August 2011 and for four months in succession from October 2011 to January 2012. In a report to DGCA on 09th Jan 12, Kingfisher had stated that it has paid past (salary) dues to 60% of its employees and that by 31st Jan 12, payment of December 2011 salary for all its employees will be done. Protesting at the delays in payment, Kingfisher pilots started making in-flight announcements citing “It is their sense of duty towards the guest that is making them fly despite not being paid salaries for the past two months”. Kingfisher

also defaulted on paying the Tax Deducted at Source from the employee income to the tax department.

Fuel Dues
HPCL: In Jul 2011, Hindustan Petroleum Corporation Limited (HPCL) stopped the fuel (ATF) supplies for about two hours to Kingfisher airlines owing to the non-payment of dues. Situation was later resolved. In the past several years, a Kingfisher airline has had trouble paying their fuel bills.

BPCL: Bharat Petroleum Corporation in 2009 had filed a case against Kingfisher airlines for non-payment of dues. High court in an order said that the entire amount (245 crore (US\$48.88 million)) had to be paid by Nov 2010 and the airline paid it in instalments. Aircraft lease rental dues Since 2008, it has been reported that Kingfisher Airlines has been unable to pay the aircraft lease rentals on time.

GECAS: In Nov 2008, GE Commercial Aviation Services threatened to repossess 04 leased planes in lieu of default. Kingfisher Airlines initially denied that it missed the

payments. GECAS had filed a complaint with DGCA saying Kingfisher had defaulted on rentals for four A320 aircraft, and sought repossession of the planes. In Jan 2009, The Karnataka High Court rejected petition by Kingfisher Airlines to restrain GECAS from taking any step to deregister and repossess the 04 aircraft in dispute. As a result, Kingfisher had to return the A320 aircraft to GECAS.

DVB: In Jul 2010, DVB Aviation Finance Asia Ltd (a lessor from Singapore), sued Kingfisher Airlines for lease rental default. Case was filed in a UK court on Jul 16, 2010 after Kingfisher did not pay for three month lease rental for A320 aircraft it leased from DVB. Kingfisher Airlines has grounded 15 out of 66 aircraft in its fleet as it was unable to meet the maintenance and overhaul expenses.

AAI reports
Kingfisher received a notice from the Airports Authority of India on February 2012 regarding accumulated dues of 255.06 crore (US\$50.88 million). The airline was operating on a cash and carry basis for the last six months, with daily payments amounting to 0.8 crore (US\$159,600) Service Tax On 9 December 2011, S.K. Goel, chairman, Central Board of Excise and Customs (CBEC) announced that CBEC is considering legal action against Kingfisher for not paying service tax. As on 10th Jan 2012, Kingfisher Airlines has service tax arrears of 60 crore (US\$11.97 million).

The Ministry of Finance has given a concession to Kingfisher and instructed them to pay the dues by 31st Mar 2012. In Jan 2012, Kingfisher paid 20 crore (US\$3.99 million) towards its dues for December 2011 and part of the arrears.

Bank arrears
Kingfisher Airlines had not paid some bankers (Lenders) as per the Debt Recast Package (DRP) with lending banks. Till the end of Dec 2011, the arrears were estimated to be 260 crore (US\$51.87 million) to 280 crore (US\$55.86 million). Lenders hence had told Kingfisher Airlines to clear its dues before they can release any more money sought by the Airline. Ravi Nedungadi, chief financial officer of UB Group however said that the arrears were 180 crore (US\$35.91 million). If arrears were not paid in time (Dec 2011); Kingfisher Airlines would automatically have been treated as NPA, (Non-performing asset). On the last working day of the third quarter of financial year 2011-2012, Kingfisher Airlines made one month interest amount to the banks; thus saving the account from turning a non-performing asset State Bank of India (SBI) on 5th Jan 2012 declared Kingfisher Airlines a NPA (Non-performing asset). SBI is largest creditor and the leader of the consortium of banks in the DRP (Debt Recast Package) and has an exposure of 1,457.78 crore (US\$290.83 million). By Feb 2012, Kingfisher has been declared NPA by following banks;

- SBI
- Bank of Baroda
- PNB
- IDBI
- Central bank
- BOI
- Corporation Bank

In December 2011, for the second time in two months, Kingfisher’s bank accounts were frozen by the Mumbai Service Tax department for non-payment of dues. Kingfisher Airlines owes 70 crore (US\$13.97 million) to the service tax department. Indian tax body also stated that Kingfisher Airlines is delinquent.

As response, Dr. Vijay Mallya called on the Chairman of Central Board of Excise and Customs and offered to pay up the dues by 13 Dec 11 Kingfisher bank accounts were unfrozen on 14th Dec 11. Due non-payment, several Kingfisher’s vendors had filed winding up petition with the High Court. As on Nov 2011, winding up petition of seven creditors was pending before the Bangalore High Court. In the past Lufthansa Technik & Bharat Petroleum Corporation Limited (BPCL) had also filed winding up petition against Kingfisher Airlines.

Result of in these On March 7, 2012 IATA suspended ticket sales of Kingfisher airlines citing non-payment of dues as the primary reason, and they said that sales services will only be restored once Kingfisher settles ICH (IATA Clearing House) account. IATA also immediately directed all travel agents to stop booking tickets for Kingfisher. According to preliminary reports, this would affect Kingfisher’s business by around 30%. Kingfisher claimed that frozen bank accounts was the main cause of being unable to pay the IATA, and the airline started making alternate arrangements for the sale of tickets. Soon it became difficult for the airline to follow the much smaller schedule that it earlier released as even more pilots began to go on strike. A pilot later claimed that from March 12, about 80% of the pilots would not fly as they mentioned in their letter to Vijay Mallya. The airline’s plans on restoring all services by April 4 did not seem too real at the moment. ●●●

EDITORIAL DEVELOP INDIA

English Weekly Newspaper
Year 4, Vol. 1, Issue 184, 12 - 19 Feb, 2012

INS Chakra : India inducts dragon slayer

India’s first nuclear-powered submarine INS Chakra, a Russian-built Akula II attack submarine, promises to tilt the balance in the Indian Ocean in its favour. On April 4, India will become only the world’s sixth country to operate a nuclear-powered submarine. The induction of INS Chakra, a Russian-built Akula II attack submarine (SSN) will substantially alter the navy’s ability to project power into the Indian Ocean. It is the single biggest force-multiplier India has acquired to counter the entry of the Chinese navy into the Indian Ocean.

The submarine, with a crew of 100 personnel, is near the end of its five-week sea journey covering more than 5,000 km from Vladivostok, in the Russian Far East, to Visakhapatnam where the vessel will be based. The passage was cloaked in secrecy and the vessel cruised beneath the waves passing Japan, China, the Philippines and the Indonesian archipelago. It was the first demonstration of its practically unlimited endurance.

“The Chakra represents a game-changing technology that definitely alters the balance in our favour, but the tragedy is that we are getting only one whereas we need at least eight such submarines,” says strategic affairs analyst Rear Admiral (retd) Raja Menon.

The submarine is powered by a nuclear reactor that gives it enormous power and endurance. But it does not carry nuclear weapons. In this sense, it does nothing for India’s sea-based nuclear deterrent. This third leg of the nuclear triad calls for a submarine prowling at sea with nuclear-tipped ballistic missiles. That capability will come only with the induction of the indigenous 6000-tonne Arihant class nuclear-powered ballistic missile submarines (SSBN) that began trials this year and is still two years away from induction. “The Chakra gives the navy the ability to operate a nuclear-powered submarine in preparation to operate our own indigenously built SSBN,” says Brahma Chellaney, Professor of Strategic Studies at New Delhi’s Centre for Policy Research.

Training personnel to man the Arihant class nuclear submarines is one of the primary roles of the Chakra. Officials, however, say an important role will be to perform ‘sea denial missions’ in and around the Indian Ocean, Arabian Sea and Bay of Bengal. It can stalk and attack enemy warships with cruise missiles and torpedoes, using its virtually unrefuelled range.

‘NonAlignment 2.0: a foreign and strategic policy for India in the 21st century’ released in March this year by two former national security advisers, Brajesh Mishra and M.K. Narayanan, calls for a three-pronged asymmetric strategy to deal with a Chinese attack on India. The third prong is naval. “We should be in a position to dominate the Indian Ocean region (IOR),” the document notes. The Chakra fits into this strategy. For instance, it will allow the navy to rush the submarine to vital chokepoints in the IOR and to stalk hostile surface ships, aircraft carriers and submarines. The new submarine is free from critical restrictions imposed by the erstwhile Soviet Union on an earlier nuclear submarine acquired, also named Chakra, on a three-year lease in 1988. The old Chakra could not be used in war. The new one can.

The submarine was laid down in the shipyard of Komsomolsk-on-Amur in the Russian Far East as the ‘Nerpa’ in the early 1990s. Its construction was halted after the break-up of the Soviet navy. A secret deal was signed in 2004 and India transferred an estimated \$650 million for the completion of the unfinished hull. The crew for the submarine underwent an 18-month training at a shore-based facility near St Petersburg in 2005. They had to wait nearly six years before they could see the actual submarine. The submarine was to have been inducted in early 2008 but the project was dogged by delays. The worst of these was during its sea trials in the Sea of Japan, when a November 2008 accidental gas discharge killed 20 Russian crew members. The delays have resulted in an anomaly: The Chakra’s commanding officer Captain P. Asokan has to contend with four other captains on board, officers promoted to their next rank during the seven-year wait.

Extreme care has been taken for safety after the August 2000 disaster that killed all 118 crew of the Russian nuclear submarine Kursk. The Chakra has been retrofitted with a fin-mounted spherical escape sphere. In an emergency, the entire 100-member crew can fit into the 20-foot wide, 50-foot tall sphere and ascend to the surface.

The Chakra displaces over 12,000 tonnes underwater. That’s roughly three times the displacement of a conventional 2,300-tonne Kilo class submarine currently operated by the navy. Crewmen say they are overawed by the size of their vessel. “It’s incredible,” says one submariner. “It’s like being on board a large surface ship. One of our Kilo class submarines could fit into the Chakra’s control room,” he says. Crewmen can walk erect instead of crouching. The larger submarine allows for more comfortable living spaces. Conventional submarines provide bunks for only half their crew. Every crewmember of the Chakra has a bunk. Size clearly has its comforts.

The **INS Chakra II** (É-152 Nerpa) is a 8,140-tonne (8,010-long-ton) Project 971 Shchuka-B (NATO: Akula I) type nuclear-powered attack submarine. Construction was started in 1993, but suspended due to lack of funding. *K-152 Nerpa* was launched in October 2008 and entered service with the Russian Navy in late 2009. The submarine was leased to the Indian Navy in 2011 and has been recommissioned as the **INS Chakra II**. While *K-152 Nerpa* was undergoing sea trials in the Sea of Japan on 8 November 2008, an accident caused the deaths of some twenty sailors and injury to twenty-one others. A fire suppression system discharged gas in the bow of the sub, suffocating civilian specialists and navy crew members. As of 2008, Russia had an agreement pending with India worth US\$2 billion for the lease of *Nerpa* and another Project 971 Shchuka-B class submarine. Of this, *K-152 Nerpa* will be leased for 10 years to India at an estimated cost of US\$670 million. The submarine was finally handed over to India on 30 Dec 2011. After being handed over to the Indian Navy, it would be commissioned as INS *Chakra*. *Nerpa* is the Russian word for the Baikal seal, and *Chakra* is a wheel or a disc.

Indian naval crews earlier trained to operate the submarine near St. Petersburg and another group of sailors was expected to arrive in Vladivostok in late 2008 for joining sea trials. The training of the crew was viewed as crucial to India’s own nuclear submarine program, known as the Arihant class submarine.

After the 2008 accident, there were conflicting reports over the status of the lease. A Russian defence industry official denied that talks had been held with India on the delivery of the nuclear submarine. “Russia did not launch talks on a contract to supply India with the Nerpa nuclear-powered submarine.” General of the Army Nikolai Marakov stated that Russia would commission the *Nerpa* and that it would join seven other Akula class submarines in Russia’s Pacific Fleet. “The sum of \$650-780 million, which Rosoboron export and the Amur Shipbuilding Plant had negotiated over a long period of time with the Indian Ministry of Defence, will now be found in Russia,” he said.

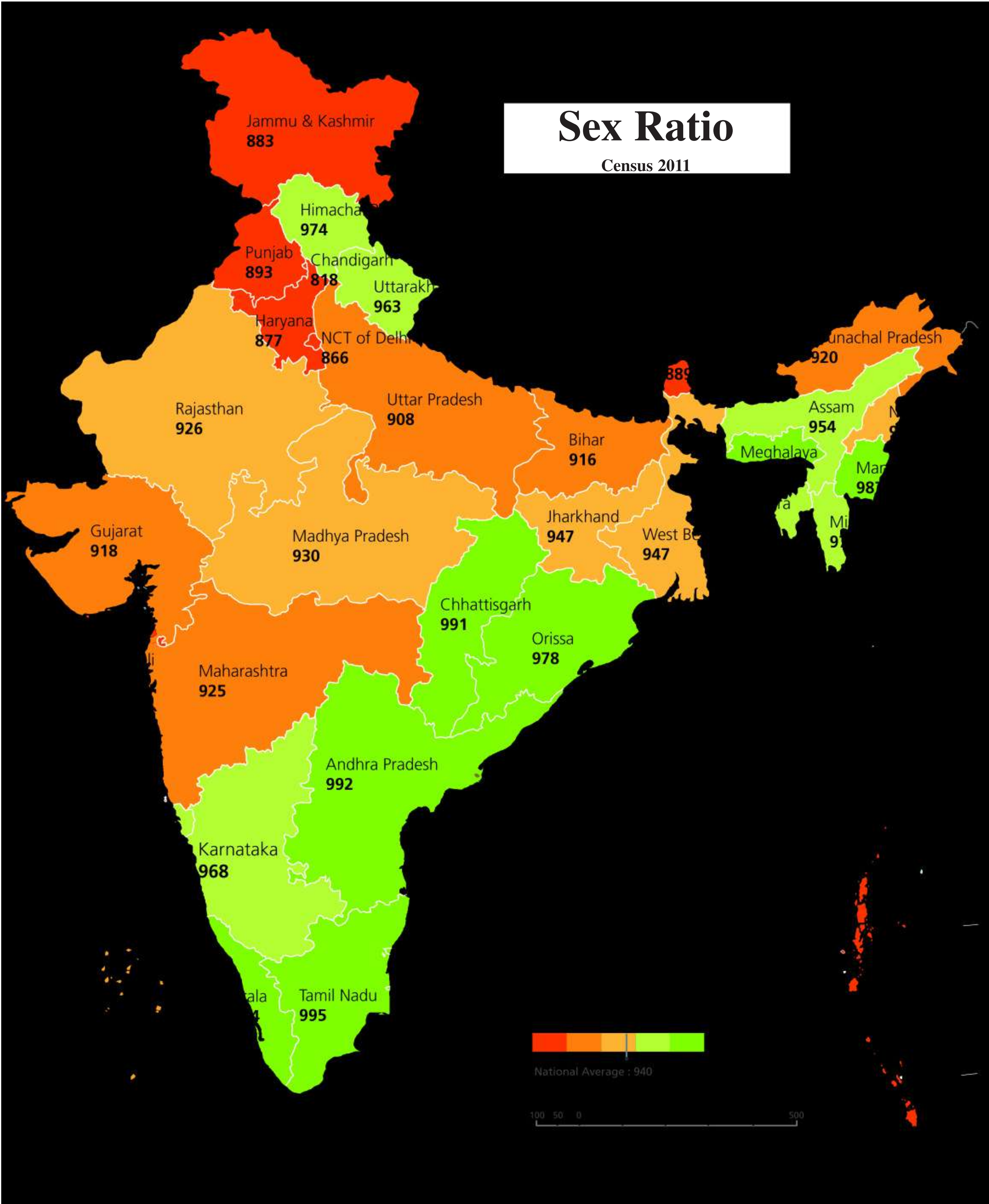
However, in May 2009, both Russian and Indian defence officials confirmed that the *Nerpa* would be joining the Indian Navy by the end of 2009, after Russian President Vladimir Putin visited the yard and announced an immediate release of 1.2 billion roubles, for the submarine construction.

On December 28, 2009, Nerpa was commissioned and joined the Russian Navy. The submarine underwent further adjustments in February 2010. As of August 2010, Russia was training a crew from the Indian Navy to sail the ship to India in fulfilment of the lease agreement. INS *Chakra* was expected to be commissioned into the Indian Navy before October 2011.

On July 1, 2011, Russian Navy chief Admiral Vladimir Vysotsky has been quoted as holding that “the Indian crew is now absolutely prepared for operating the submarine, *which will be on a 10-year lease*.”

On January 23, 2012, home voyage under Indian control from the Russian port of Vladivostok to its Indian base Visakhapatnam, commenced. Official Russian announcement of the transfer was still pending at that time. The ship was identified as “INS Chakra II” of the “Akula II” class.

The similarly named Chakra was a Charlie I class submarine leased by India from Russia 1988-1992.



ATMOSPHERIC DIVING

An **atmospheric diving suit** or **ADS** is a small one-man articulated submersible of anthropomorphic form which resembles a suit of armour, with elaborate pressure joints to allow articulation while maintaining an internal pressure of one atmosphere. The ADS can be used for very deep dives of up to 2300 feet (700 m) for many hours, and eliminates the majority of physiological dangers associated with deep diving; the occupant need not decompress, there is no need for special gas mixtures, and there is no danger of decompression sickness or nitrogen narcosis. Divers do not even need to be skilled swimmers. The ADS has variously been referred to as a Winnie the Pooh suit (because of its large head), armored diving skirt, articulated diving suit, Iron Duke, Iron Mike, and 'deep-sea diving robot'. The term 'atmospheric diving suit' itself did not come into widespread use until the invention of the JIM suit in the early 1970s. Atmospheric diving suits in current use include the Newtsuit and the WASP, both of which are self-contained hard suits that incorporate propulsion units. The Newtsuit is constructed from cast aluminum (forged aluminum in a version constructed for the US Navy for submarine rescue), while the WASP is of glass-reinforced plastic (GRP) body tube construction. The upper hull is made from cast aluminum. The bottom dome is machined aluminum.



● **1715:** John Lethbridge constructs his "diving engine". Essentially a wooden barrel about 6 feet (1.8 m) in length with two holes for the diver's arms sealed with leather cuffs, and a 4-inch (100 mm) viewport of thick glass. It was reportedly used to dive as deep as 60 feet (18 m), and was used to salvage substantial quantities of silver from the wreck of the East Indiaman *Vansittart* which sank in 1718 off the Cape Verde islands.

● **1838:** Englishman W. H. Taylor designed the first armored suit with real joints, which were designed as leather pieces with rings in the shape of a spring (also known as accordion joints). The diver's hands and feet were to be covered with leather. Taylor also devised a ballast tank attached to the suit that could be filled with water to attain negative buoyancy. While it was patented, the suit was never actually produced. It is considered that its weight and bulk would have rendered it nearly immobile underwater.

● **1856:** Lodner D. Phillips designed the first wholly enclosed ADS. His design comprised a barrel-shaped upper torso with domed ends and included ball and socket joints in the articulated arms and legs. The arms had joints at shoulder and elbow, and the legs at knee and hip. The suit included a ballast tank, a viewing port, entrance through a manhole cover on top, a hand-cranked propeller, and rudimentary manipulators at the ends of the arms. Air was to be supplied from the surface via hose. There is no indication, however, that Lodner's suit was ever constructed.

● **1882:** the Carmagnolle brothers of Marseilles, France,

patented the first properly anthropomorphic design of ADS featuring rolling convolute joints consisting of partial sections of concentric spheres formed to create a close fit and kept watertight with a waterproof cloth. The suit had 22 of these joints: four in each leg, six per arm, and two in the body of the suit. The helmet possessed 25 individual 2-inch (50 mm) glass viewing ports spaced at the average distance of the human eyes. Weighing 830 pounds (380 kg), the Carmagnolle ADS never worked properly and its joints never were entirely waterproof. It is now on display at the French National Navy Museum in Paris.

● **1894:** Australian inventors John Buchanan and Alexander Gordon of Melbourne developed an armored suit. The construction was based on a frame of spiral wires covered with waterproof material. The design was improved by Alexander Gordon by attaching the suit to the helmet and other parts and incorporating jointed radius rods in the limbs. This resulted in a flexible suit which could withstand high pressure. The suit was produced by Siebe Gorman and trialed in Scotland in 1898.

● **1914:** MacDuffy constructed the first ADS to use ball bearings to provide joint movement. The suit was tested at New York to a depth of 214 feet (65 m), but was not very successful.

1915: Harry L. Bowdoin of Bayonne, N.J., patented a new type of oil-filled rotary jointed ADS. The joints use a small duct to the interior of the joint to allow equalization of pressure. The suit was designed to have four joints in each arm and leg, and one joint in each thumb, for a total of eighteen. Four viewing ports and a chest-mounted lamp were intended to assist underwater vision. Unfortunately there is no evidence that Bowdoin's suit was ever built, or that it would have worked if it had been.

● **1915:** the German firm Neufeldt and Kuhnke built two atmospheric diving suits based on their patented ball and socket joint, using ball bearings to transfer the pressure load, the bearings sealed by rubber skirts. The suit achieved fame during the salvage of gold and silver bullion from the wreck of the SS *Egypt*, an 8,000 ton Peninsular and Oriental liner that sank in May 1922. The suit was relegated to duties as an observation chamber at the wreck's depth, and was successfully used to direct mechanical grabs which opened up the bullion storage.

● **1917:** Benjamin F. Leavitt of Traverse City, Michigan, dived on the SS *Pewabic* which sank in 182 feet (55 m) in Lake Huron in 1865, salvaging 350 tons of copper ore. In 1923, he went on to salvage the wreck of the British schooner *Cape Horn* which lay in 220 feet (67 m) of water off Pichidangui, Chile, salvaging \$600,000 worth of copper. Leavitt's suit was of his own design and construction and he had previously dived to 361 feet (110 m) in it in Lake Michigan. The suit used manganese bronze to resist corrosion and weighed only 350 pounds (160 kg) complete, which reduced to 75 pounds (34 kg) underwater, and was lined with sheet rubber for insulation. The arms and legs were constructed of flexible copper tubing with ball bearing joints at knee and elbow, while the helmet had four 0.5-inch (13 mm) windows of shatterproof glass and was equipped with a telephone. The most innovative aspect of Leavitt's suit was the fact that it was completely self-contained and needed no umbilical, the breathing mixture being supplied from a tank mounted on the back of the suit. The breathing apparatus incorporated a scrubber and an oxygen regulator and could last for up to a full hour.

● **1919:** Boston mechanic Charles H. Jackson constructed an ADS



Turner to reach a depth of 360 feet (110 m).

● **1922:** British engineer Joseph Salim Peress patented the first spherical type joint which uses a fluid to equalize pressure, and in 1932 built an ADS which was referred to as the Tritonia, and is now commonly called "Jim I."^[5] It was successfully used on the wreck of the RMS *Lusitania* at a depth of 312 feet (95 m). Peress's expertise was later harnessed to help develop the JIM suit, named after Peress's chief diver Jim Jarrett. This was the first practical working ADS.

● **1924:** The German Navy tested the second-generation of the Neufeldt and Kuhnke suit (see 1915 above) to 530 feet (160 m), but limb movement was very difficult and the joints were judged not to be fail-safe, in that if they were to fail, there was a possibility that the suit's integrity could be impaired.

● **1945:** The German Navy possessed several Neufeldt and Kuhnke suits, called "Panzer-Taucher" (armored diver) during World War II, which later found their way into Allied hands after the war, and there are unconfirmed reports that the Russian Navy built copies.

● **1952:** Alfred A. Mikalow constructed an ADS employing ball and socket joints, specifically for the purpose of locating and salvaging sunken treasure. The suit was reportedly capable of diving to depths of 1,000 feet (300 m) and was used successfully to dive on the sunken vessel SS *City of Rio de Janeiro* in 328 feet (100 m) of water near Fort Point, San Francisco. Mikalow's suit had various interchangeable instruments which could be mounted on the end of the arms in place of the usual manipulators. It carried seven 90-cubic-foot (2.5 m³) high pressure cylinders to provide breathing gas and control buoyancy. The ballast compartment covered the gas cylinders. For communication, the suit used hydrophones.

● **1969:** the JIM suit, possibly the most well-known ADS, was designed and manufactured by Underwater Marine Equipment Ltd (later Oceaneering Int) and marketed by DHB Construction. The first suit was completed in November 1971 and underwent trials aboard *HMS Reclaim* in early 1972. In 1976 the JIM suit set a record for the longest working dive below 490 feet (150 m), lasting five hours and 59 minutes at a depth of 905 feet (276 m). The first JIM suits were cast of magnesium because of its high strength-to-weight ratio and weighed around 1,100 pounds (500 kg) in air (including the diver), but the magnesium casting was eventually replaced with glass-reinforced plastic (GRP) construction. The GRP suit was known as the JAM suit. A lighter more anthropomorphic suit was built of aluminum or GRP, and was known as the SAM suit. The aluminum model was rated to 1,000 feet (300 m) and the GRP suit was rated to 2,000 feet (610 m). JIM was eventually surpassed by the WASP Suit (its sister ADS), and the Newtsuit, as oil platforms gradually removed subsea

essential to bottom-walking suits, as JIM was never fitted with any kind of propulsion.



● **1987:** the "Newtsuit" was developed by the Canadian engineer Phil Nuytten. The Newtsuit is constructed to function like a 'submarine you can wear', allowing the diver to work at normal atmospheric pressure even at depths of over 1,000 feet (300 m). Made of wrought aluminium, it had fully articulated joints so the diver can move more easily underwater. The life-support system provides 6–8 hours of air, with an emergency back-up supply of an additional 48 hours. The Newtsuit was used to salvage the bell from the wreck of the SS Edmund Fitzgerald in 1995.

● **1997:** the **ADS 2000**, developed jointly with OceanWorks International Corp. and the US Navy, is an evolution of the Newtsuit to meet US Navy requirements. The ADS2000 provides increased depth capability for the US Navy's Submarine Rescue Program. Manufactured from forged T6061 aluminum alloy it uses an advanced articulating joint design based on the Newtsuit joints. Capable of operating in up to 2,000 feet (610 m) of seawater for a normal mission of up to six hours it has a self contained, automatic life support system. Additionally, the integrated dual thruster system allows the pilot to navigate easily underwater.

● **2006:** the **ADS 2000** became fully operational and certified by the US Navy during full depth diving off southern California. Equipped with an ADS 2000 Chief Navy Diver Daniel Jackson established a new record on August 1, 2006. He was submerged at 2,000 feet (610 m) deep. The existing US Navy program has four ADS 2000 Suits and three self erecting Launch and Recovery Systems. The system is designed to be flown to a rescue site on various military and commercial aircraft.



Atmospheric diving suits

Introduction

We stated before that **Eluhu Thompson** deserves the title of "Godfather of mixed gas diving" He was the one that suggested to replace nitrogen with helium in **1919**. In the years after that several more experiments took place like the dive of commercial diver **Max Nohl** to a depth of about 140 meters on heliox in **1937**.

Soon after that Word war II started and fighting got more attention than diving experiments. In **1946 Jack Browne** (the inventor of the Jack Brown full face mask) made a mixed gas dive to about 180 meters. Also in the 1960-ies America played an important role in the development of mixed gas diving. There were many oil companies there that constantly needed divers to go deeper. In the experiments that followed saturation diving was developed.

Galeazzi In the 1930-ies Galeazzi manufactured a copy of the German Neufeldt and Kuhnke suit. Galeazzi modified the original design in several points. For instance, he applied a gimbal ring in the joint that reduced the total area of friction making the joint more mobile. Life support is maintained by an oxygen rebreather and: the diver can see his feet ! Looking down and working turned out to be much easier than in the Neufeldt and Kuhnke suit. Like with the earlier rigs this suit was only really suitable with two feet on the ground and not while dangling in open water. Helium developments slowed the design of new atmospheric diving suits but since helium was a scarce gas, inventors kept investigating the possibilities.

JIM

Around 1965 an English firm called DHB became interested in Atmospheric Diving Suits. With government help they wanted to perfect the Peress Tritonia suit from 1930 that they encountered by coincidence and luck. After some tests with the old suit it became obvious that the joints had to be redesigned.

The test suit that was build got the name JIM after Jim Garrett who was the first diver to test the old Tritonia suit. Many test were carried out in tanks and in the open sea up to 150 meters.

JIM soon proved to be a fantastic device.

Around 1972 another company (Oceaneering International) showed interest in putting new energy in an armored diving suit idea. The firm knew that oil companies needed to go deeper and deeper and that saturation diving in these depths would be too expensive. After negotiations OE took over the JIM's rights from DHB and improved it further. Old JIM versions could go up to 500 meters and had 6 oil supported universal joints. The oil formed a perfect watertight sea and ensured movability. The hands on the ends of the arms were soon replaced with pinchers. JIM had 6 Plexiglas portholes and featured two independent oxygen rebreather systems for life support. Surface communication was arranged through an umbilical. In case of an emergency this umbilical could be disconnected. Also the weights on the outside of JIM that assure negative buoyancy can be dropped by the diver so JIM will float to the surface. JIM was engaged in numerous successful diving jobs, especially in the off shore oil business. Over the years modifications were made to JIM. The joints were replaced with others that allowed greater movability. The body is now made of fiberglass and the four portholes replaced with a massive dome. Depth limits now go to about 700 meters. This newer suit is known as **JIM IV**.

SAM

SAM is in fact a lightweight version of JIM. Aluminum versions can go up to 300 meters. Fiberglass ones can go as deep as 600 meters. SAM has JIM IV joints and oxygen supplies are carried externally.

WASP

In the 1970-ies some engineers wanted to develop a suit that had JIM possibilities but could also work in midwater. There was a need for this in the oil business.

It was designed by a former DHB employee and exploited by oceaneering international. WASP is a JIM without legs but with propellers and thrusters. It features two independent oxygen rebreather systems for life support.

NEWT SUIT



As we said before, mixed gas and saturation developments stagnated the developments of atmospheric diving suits. These methods however are very expensive. In the seventies the oil companies did not have a problem with the high rates. Oil was booming business at that time and they were making a lot of money on it. In the nineteen eighties the market shrunk and competition grew. Oil companies wanted more "value for money". For this reason designers were still interested in atmospheric diving suits. In 1984 Phill Nuytten got a patent on an oil filled rotary joint. The joint uses oil as the bearing surface and features very small knife edges that ride in a deformable plastic. The joint also features a free-floating central piston. As the pressure increases, the piston uses the bearing fluid to lift the knife edges. This prevents further embedment into the seal material. This unique design keeps the joint easily movable, even at great depth. The suit has 20 joints in 6 different sizes. The wrist joint is the smallest, the hip one the largest. Compared to the other suits like JIM the suit conforms more closely to the human body increasing the divers mobility. Suit and joints are made of aluminum. Two separate oxygen rebreather systems support life for 40 hours. The umbilical features the surface communication system. A wireless communication system is available for backup.



DEBT CRISIS IN EUROPE

International Monetary Fund (IMF) managing director Christine Lagarde welcomed the latest eurozone efforts to strengthen its firewall to contain the eurozone crisis. “The IMF has long emphasized that enhanced European and global firewalls, together with the implementation of strong policy frameworks, are critical for ending the crisis and securing international financial stability,” Lagarde said in a statement. The combination of the European Stability Mechanism (ESM) and the European Financial Stability Fund (EFSF), along with other recent European efforts, would strengthen the European firewall and support the IMF’s efforts to increase its available resources for the benefit of all IMF members, she said. Eurozone finance minister announced on March 30, 2012 the 17 eurozone member countries had agreed to build an 800 billion euro (about 1.1 trillion U.S. dollar) financial firewall against the current debt crisis. The bailout funds primarily comprise the temporary EFSF and the 500 billion euro permanent ESM. The ministers said eurozone countries had committed to providing 150 billion euros in additional bilateral contributions to the Washington-based IMF to step up its lending capacity. European sovereign debt crisis is an ongoing financial crisis that has made it difficult or impossible for some countries in the euro area to re-finance their government debt without the assistance of third parties. From late 2009, fears of a sovereign debt crisis developed among investors as a result of the rising government debt levels around the world together with a wave of downgrading of government debt in some European states. Concerns intensified in early 2010 and thereafter,^{[9][4]} leading Europe’s finance ministers on 9 May 2010 to approve a rescue package worth •750 billion aimed at ensuring financial stability across Europe by creating the European Financial Stability Facility (EFSF). In October 2011 and February 2012, the eurozone leaders agreed on more measures designed to prevent the collapse of member economies. This included an agreement whereby banks would accept a 53.5% write-off of Greek debt owed to private creditors, increasing the EFSF to about •1 trillion, and requiring European banks to achieve 9% capitalisation. To restore confidence in Europe, EU leaders also agreed to create a common fiscal union including the commitment of each participating country to introduce a balanced budget amendment. While sovereign debt has risen substantially in only a few eurozone countries, it has become a perceived problem for the area as a whole. Nevertheless, the European currency has remained stable. As of mid-November 2011, the euro was even trading slightly higher against the bloc’s major trading partners than at the beginning of the crisis. The three countries most affected, Greece, Ireland and Portugal, collectively account for six percent of the eurozone’s gross domestic product(GDP). **Causes** The European sovereign debt crisis has resulted from a combination of complex factors, including the globalization of finance; easy credit conditions during the 2002–2008 period that encouraged high-risk lending and borrowing practices; international trade imbalances; real-estate bubbles that have since burst; slow economic growth in 2008 and thereafter; fiscal policy choices related to government revenues and expenses, particularly high entitlement spending, and approaches used by nations to bailout troubled banking industries and private bondholders, assuming private debt burdens or socializing losses. One narrative describing the causes of the crisis begins with the significant increase in savings available for investment during the 2000–2007 period when the global pool of fixed income securities increased from approximately \$36 trillion in 2000 to \$70 trillion by 2007. This “Giant Pool of Money” increased as savings from high-growth developing nations entered global capital markets. Investors searching for higher yields than those offered by

U.S. Treasury bonds sought alternatives globally. The temptation offered by such readily available savings overwhelmed the policy and regulatory control mechanisms in country after country as global fixed income investors searched for yield, generating bubble after bubble across the globe. While these bubbles have burst causing asset prices (e.g., housing and commercial property) to decline, the liabilities owed to global investors remain at full price, generating questions regarding the solvency of governments and their banking systems. How each European country involved in this crisis borrowed and invested the money varies. For example, Ireland’s banks lent the money to property developers, generating a massive property bubble. When the bubble burst, Ireland’s government and taxpayers assumed private debts. In Greece, the government increased its commitments to public workers in the form of extremely generous pay and pension benefits. Iceland’s banking system grew enormously, creating debts to global investors (“external debts”) several times GDP. The interconnection in the global financial system means that if one nation defaults on its sovereign debt or enters into recession putting some of the external private debt at risk, the banking systems of creditor nations face losses. For example, in October 2011 Italian borrowers owed French banks \$366 billion (net). Should Italy be unable to finance itself, the French banking system and economy could come under significant pressure, which in turn would affect France’s creditors and so on. This is referred to as financial contagion. Another factor contributing to interconnection is the concept of debt protection. Institutions entered into contracts called credit default swaps (CDS) that result in payment should default occur on a particular debt instrument (including government issued bonds). But, since multiple CDS’s can be purchased on the same security, it is unclear what exposure each country’s banking system now has to CDS. Some politicians, notably Angela Merkel, have sought to attribute some of the blame for the crisis to hedge funds and other speculators stating that “institutions bailed out with public funds are exploiting the budget crisis in Greece and elsewhere”. Although some financial institutions clearly profited from the growing Greek government debt in the short run, there was a long lead up to the crisis. Rising government debt levels In 1992, members of the European Union signed the Maastricht Treaty, under which they pledged to limit their deficit spending and debt levels. However, a number of EU member states, including Greece and Italy, were able to circumvent these rules and mask their deficit and debt levels through the use of complex currency and credit derivatives structures. The structures were designed by prominent U.S. investment banks, who received substantial fees in return for their services and who took on little credit risk themselves thanks to special legal protection for derivatives counterparties. A number of “appalled economists” have condemned the popular notion in the media that rising debt levels of European countries were caused by excess government spending. According to their analysis, increased debt levels are due to the large bailout packages provided to the financial sector during the late-2000s financial crisis, and the global economic slowdown thereafter. The average fiscal deficit in the euro area in 2007 was only 0.6% before it grew to 7% during the financial crisis. In the same period the average government debt rose from 66% to 84% of GDP. The authors also stressed that fiscal deficits in the euro area were stable or even shrinking since the early 1990s. US economist Paul Krugman named Greece as the only country where fiscal irresponsibility is at the heart of the crisis. Either way, high debt levels alone may not explain the crisis. According to The Economist Intelligence Unit, the position of the euro area looked “no worse and in some respects, rather better than that of the US or the UK.” The budget deficit for the euro area as a

whole (see graph) is much lower and the euro area’s government debt/GDP ratio of 86% in 2010 was about the same level as that of the US. Moreover, private-sector indebtedness across the euro area is markedly lower than in the highly leveraged Anglo-Saxon economies. **Trade imbalances** Commentators such as *Financial Times* journalist Martin Wolf have asserted that the ***root of the crisis was growing trade imbalances***. He notes in the run-up to the crisis, from 1999 to 2007, Germany had a considerably better public debt and fiscal deficit relative to GDP than the most affected eurozone members. In the same period, these countries (Portugal, Ireland, Italy and Spain) had far worse balance of payments positions. Whereas German trade surpluses increased as a percentage of GDP after 1999, the deficits of Italy, France and Spain all worsened. More recently, Greece’s trading position has improved; in the period November 2010 to October 2011 imports dropped 12% while exports grew 15% (40% to non-EU countries in comparison to October 2010). **Monetary policy inflexibility** Since membership of the eurozone establishesable to “print money” in order to pay creditors and ease their risk of default. (Such an option is not available to a state such as France.) By “printing money” a country’s currency is devalued relative to its (eurozone) trading partners, making its exports cheaper, in principle leading to an improving balance of trade, increased GDP and higher tax revenues in nominal terms. In the reverse direction moreover, assets held in a currency which has devalued suffer losses on the part of those holding them. For example by the end of 2011, following a 25 percent fall in the rate of exchange and 5 percent rise in inflation, eurozone investors in Sterling, locked in to euro exchanges rates, had suffered an approximate 30 percent cut in the repayment value of this debt. **Evolution of the crisis** In the first few weeks of 2010, there was renewed anxiety about excessive national debt. Frightened investors demanded ever higher interest rates from several governments with higher debt levels, deficits and current account deficits. This in turn made it difficult for some governments to finance further budget deficits and service existing debt, particularly when economic growth rates were low, and when a high percentage of debt was in the hands of foreign creditors, as in the case of Greece and Portugal. Elected officials have focused on austerity measures (e.g., higher taxes and lower expenses) contributing to social unrest and significant debate among economists, many of whom advocate greater deficits when economies are struggling. Especially in countries where government budget deficits and sovereign debts have increased sharply, a crisis of confidence has emerged with the widening of bond yield spreads and risk insurance on CDS between these countries and other EU member states, most importantly Germany.By the end of 2011, Germany was estimated to have made more than •9 billion out of the crisis as investors flocked to safer but near zero interest rate German federal government bonds (*bunds*). While Switzerland equally benefited from lower interest rates, the crisis also harmed its export sector due to a substantial influx of foreign capital and the resulting rise of the Swiss franc. In September 2011 the Swiss National Bank surprised currency traders by pledging that “it will no longer tolerate a euro-franc exchange rate below the minimum rate of 1.20 francs”, effectively weakening the Swiss franc. This is the biggest Swiss intervention since 1978. **Greece** In the early mid 2000s, Greece’s economy was one of the fastest growing in the eurozone and the government took advantage of it by running a large structural deficit, partly due to high defense spending amid historic enmity to Turkey. As the world economy cooled in the late 2000s, Greece was hit especially hard because its main industries — shipping and tourism — were especially sensitive to changes in the business cycle. As a result, the

country’s debt began to increase rapidly. On 23 April 2010, the Greek government requested an initial loan of •45 billion from the EU and International Monetary Fund (IMF), to cover its financial needs for the remaining part of 2010. A few days later Standard & Poor’s slashed Greece’s sovereign debt rating to BB+ or “junk” status amid fears of default, in which case investors were liable to lose 30–50% of their money. Stock markets worldwide and the Euro currency declined in response to this announcement. On 1 May 2010, the Greek government announced a series of austerity measures to secure a three year •110 billion loan. This was met with great anger by the Greek public, leading to massive protests, riots and social unrest throughout Greece. The Troika (EU, ECB and IMF), offered Greece a second bailout loan worth •130 billion in October 2011, but with the activation being conditional on implementation of further austerity measures and a debt restructure agreement. A bit surprisingly, the Greek prime minister George Papandreou first answered that call, by announcing a December 2011 referendum on the new bailout plan, but had to back down amidst strong pressure from EU partners, who threatened to withhold an overdue •6 billion loan payment that Greece needed by mid-December. On 10 November 2011 Papandreou instead opted to resign, following an agreement with the New Democracy party and the Popular Orthodox Rally, to appoint non-MP technocrat Lucas Papademos as new prime minister of an interim national union government, with responsibility for implementing the needed austerity measures to pave the way for the second bailout loan. All the implemented austerity measures, have so far helped Greece bring down its *primary deficit before interest payments*, from •24.7bn (10.6% of GDP) in 2009 to just •5.2bn (2.4% of GDP) in 2011, but as a side-effect they also contributed to a worsening of the Greek recession, which began in October 2008 and only became worse in 2010 and 2011. Overall the Greek GDP had its worst decline in 2011 with -6.9%, a year where the seasonal adjusted industrial output ended 28.4% lower than in 2005, and with 111,000 Greek companies going bankrupt (27% higher than in 2010). As a result, the seasonal adjusted unemployment rate also grew from 7.5% in September 2008 to a record high of 19.9% in November 2011, while the Youth unemployment rate during the same time rose from 22.0% to as high as 48.1%. Overall the share of the population living at “*risk of poverty or social exclusion*” did not increase noteworthy during the first 2 year of the crisis. The figure was measured to 27.6% in 2009 and 27.7% in 2010 (only being slightly worse than the EU27-average at 23.4%), but for 2011 the figure was now estimated to have risen sharply above 33%. In February 2012, an IMF official negotiating Greek austerity measures admitted that excessive spending cuts were harming Greece. Some economic experts argue that the best option for Greece and the rest of the EU, would be to engineer an “orderly default”, allowing Athens to withdraw simultaneously from the eurozone and reintroduce its national currency the drachma at a debased rate. **Ireland** The Irish sovereign debt crisis was not based on government over-spending, but from the state guaranteeing the six main Irish-based banks who had financed a property bubble. On 29 September 2008, Finance Minister Brian Lenihan, Jnr issued a one-year guarantee to the banks’ depositors and bond-holders. He renewed it for another year in September 2009 soon after the launch of the National Asset Management Agency (NAMA), a body designed to remove bad loans from the six banks. Irish banks had lost an estimated 100 billion euros, much of it related to defaulted loans to property developers and homeowners made in the midst of the property bubble, which burst around 2007. The economy collapsed during 2008. Unemployment rose from 4% in 2006 to 14% by 2010, while the federal budget went from a surplus in 2007 to a deficit of 32% GDP in 2010,

the highest in the history of the eurozone, despite draconian austerity measures. Ireland could have guaranteed bank deposits and let private bondholders who had invested in the banks face losses, but instead borrowed money from the ECB to pay these bondholders, shifting the losses and debt to its taxpayers, with severe negative impact on Ireland’s creditworthiness. As a result, the government started negotiations with the EU, the IMF and three nations: the United Kingdom, Denmark and Sweden, resulting in a•67.5 billion “bailout” agreement of 29 November 2010 Together with additional •17.5 billioncoming from Ireland’s own reserves and pensions, the government received •85 billion, of which •34 billion were used to support the country’s ailing financial sector. In return the government agreed to reduce its budget deficit to below three percent by 2015. In April 2011, despite all the measures taken, Moody’s downgraded the banks’ debt to junk status. In July 2011 European leaders agreed to cut the interest rate that Ireland was paying on its EU/IMF bailout loan from around 6% to between 3.5% and 4% and to double the loan time to 15 years. The move was expected to save the country between 600–700 million euros per year. On 14 September 2011, in a move to further ease Ireland’s difficult financial situation, the European Commission announced it would cut the interest rate on its •22.5 billion loan coming from the European Financial Stability Mechanism, down to 2.59 percent – which is the interest rate the EU itself pays to borrow from financial markets. The Euro Plus Monitor report from November 2011 attests to Ireland’s vast progress in dealing with its financial crisis, expecting the country to stand on its own feet again and finance itself without any external support from the second half of 2012 onwards. **Portugal** A report released in January 2011 by the Diário de Notícias and published in Portugal by Grádiva, demonstrated that in the period between the Carnation Revolution in 1974 and 2010, the democratic Portuguese Republic governments have encouraged over-expenditure and investment bubbles through unclear public-private partnerships and funding of numerous ineffective and unnecessary external consultancy and advisory of committees and firms. **Cyprus** In September 2011, yields on Cyprus long-term bonds have risen above 12%, since the small island of 840,000 people was downgraded by all major credit ratings agencies following a devastating explosion at a power plant in July and slow progress with fiscal and structural reforms. Since January 2012, Cyprus is relying on a •2.5bn emergency loan from Russia to cover its budget deficit and re-finance maturing debt. The loan has an interest rate of 4.5% and it is valid for 4.5 years though it is expected that Cyprus will be able to fund itself again by the first quarter of 2013. On 13 March 2012 Moody’s has slashed Cyprus’s credit rating into Junk status, warning that the Cyprus government will have to inject fresh capital into its banks to cover losses incurred through Greece’s debt swap. Cyprus’s banks were highly exposed to Greek debt and so are disproportionately hit by the haircut taken by creditors. Possible spread to other countries Economic data from Portugal, Italy, Ireland, Greece, United Kingdom, Spain, Germany, the EU and the eurozone for 2009 The 2010 annual budget deficit and public debt, both relative to GDP for selected European countries Long-term interest rates of selected European countries. Note that weak non-eurozone countries (Hungary, Romania) lack the sharp rise in interest rates characteristic of weak eurozone countries. For 2010, the OECD forecast \$16 trillion would be raised in government bonds among its 30 member countries. Financing needs for the eurozone come to a total of •1.6 trillion, while the U.S. is expected to issue US\$1.7 trillion more Treasury securities in this period, and Japan

has ¥213 trillion of government bonds to roll over.Greece has been the notable example of an industrialised country that has faced difficulties in the markets because of rising debt levels but even countries such as the U.S., Germany and the UK, have had fraught moments as investors shunned bond auctions due to concerns about public finances and the economy. **Italy** Italy’s deficit of 4.6 percent of GDP in 2010 was similar to Germany’s at 4.3 percent and less than that of the U.K. and France. Italy even has a surplus in its primary budget, which excludes debt interest payments. However, its debt has increased to almost 120 percent of GDP (U.S. \$2.4 trillion in 2010) and economic growth was lower than the EU average for over a decade. This has led investors to view Italian bonds more and more as a risky asset. On the other hand, the public debt of Italy has a longer maturity and a substantial share of it is held domestically. Overall this makes the country more resilient to financial shocks, ranking better than France and Belgium. About 300 billion euros of Italy’s 1.9 trillion euro debt matures in 2012. It will therefore have to go to the capital markets for significant refinancing in the near-term. **Spain** Spain has a comparatively low debt among advanced economies. The country’s public debt relative to GDP in 2010 was only 60%, more than 20 points less than Germany, France or the US, and more than 60 points less than Italy, Ireland or Greece. Like Italy, Spain has most of its debt controlled internally, and both countries are in a better fiscal situation than Greece and Portugal, making a default unlikely unless the situation gets far more severe. Under pressure from the EU the new conservative Spanish government led by Mariano Rajoy aims to cut the deficit further to 5.3 percent in 2012 and 3 percent in 2013. **Belgium** In 2010, Belgium’s public debt was 100% of its GDP—the third highest in the eurozone after Greece and Italy and there were doubts about the financial stability of the banks, following the country’s major financial crisis in 2008–2009. **France** France’s public debt in 2010 was approximately U.S. \$2.1 trillion and 83% GDP, with a 2010 budget deficit of 7% GDP. By 16 November 2011, France’s bond yield spreads vs. Germany had widened 450% since July, 2011. France’s C.D.S. contract value rose 300% in the same period. On 1 December 2011, France’s bond yield had retreated and the country successfully auctioned •4.3 billion worth of 10 year bonds at an average yield of 3.18%, well below the perceived critical level of 7%. By early February 2012, yields on French 10 year bonds had fallen to 2.84%. **United Kingdom** According to the Financial Policy Committee “Any associated disruption to bank funding markets could spill over to UK banks.” Bank of England governor Mervyn King declared that the UK is very much at risk from a domino-fall of defaults and called on banks to build up more capital when financial conditions allowed. This is because the UK has the highest gross foreign debt of any European country (•7.3 trillion; •117,580 per person) due in large part to its highly leveraged financial industry, which is closely connected with both the United States and the eurozone. ● ● ●

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