Sand shortage: CM looking for options

Akshay Deshmune

In its efforts to tide over the problem of unavailability of sand for the construction sector, the state administration is thinking about several alternatives to mining sand within the boundaries of the state. Chief minister Prithviraj Chavan revealed this at a press conference at the state's official guest house Sahyadri, on Sunday.

"We are considering measures like creation of artificial sand from rocks, allowing imports from other states and, in general, allowing free movement of sand," said Chavan. However, how soon these alternatives come into practice remains unclear.

Apart from the problem faced by the real estate sector, the Railways are also hit. Between 5-10% of construction work under the Phase-1 of the Mumbai Urban Transport Project has been slowed down due to it. The Mumbai Rail Vikas Corporation, the nodal agency for the implementation of the MUTC, was forced to seek a deadline extension for from the World Bank due to the sand problem.

In September last year, the Mumbai high court had banned sand mining across the state and had asked the state government to prepare a coherent sustainable policy to mine sand. In October, with the official policy in place, this ban was lifted. However, subsequently, auction of sand mines has not happened. This has created a shortage of sand in the market.
ओवीएल के साइबरियाई ब्लाकों में निकल सकता है दुगना तेल

नई दिल्ली, 21 फरवरी (भाषा)। इंटरनेट एंजीड परीक्षण के अधिकार की भले ही रीक्ये प्रतिक्रिया हुई हों, लेकिन स्थानीय आविष्कार से सफलता मिलता है कि हेल जमे में लेट भंडार पूरी अनुमानों से लगभग दुगना हो सकता है। ऑवीएल ने विदेश शाखा ऑवीएल विदेश (ओवीएल) ने इंटरनेट एंजीड की 2009 में 2.1 अरब डॉलर में खरीदी था।

सूची का कहना है कि ओवीएल ने इंटरनेट के गांव मार्केट के लिए 2.140 कोड टन तेल व मैक्स भंडार का अनुमान लगाया था। लेकिन इसमें संयुक्त प्रभाव 11.215 कोड टन रहने का अनुमान है। सूची ने कहा कि ओवीएल ने अब 12 विदेशी रसोई के अद्वितीय के लिए हेलेंसिपर एंड मैक्सलाइन को सेवाएं दी थी जिसमें ओवीएल की हिस्टोरी है।

स्पष्ट अभ्यास चलाने और इसका निर्धारण करने वाली कंपनी रजेस्ट्री एसीपीसीटी ने आगे तीन साल में देशभर में 550 सुधार रिपोर्ट प्रस्तावित करने पर 6,500 करोड़ रुपए नविंड को बोक्स मार्च मानी है। कंपनी के अध्यक्ष राजेश मेहता ने बताया--" हम सुपर जेलीर ब्राह नाम से अपना सुधार परीक्षण शुरू कर सकते हैं। अब हमारी बोक्स मैक्स तीन साल में 6500 करोड़ रुपए के निवेश से देश भर में 550 रिपोर्ट खोलने की है। इसके लिए हमने 2500 करोड़ रुपए इंवेस्ट और 1500 करोड़ रुपए 36% के जोरे उड़नों का प्रस्ताव किया है।

मैक्स इंडिया के शेयरधारकों ने मैक्स डीवर्कोर्ड इंटरनेट में 750 करोड़ रुपए के निवेश के लिए खबर की मंजूरी दी है। कंपनी ने बंटवार शेयर वापस लेने के लिए इस की जिराफ की राजस्थान ने भारी रूप पर मंजूर किया है। इसके तहत मैक्स इंडिया की मैक्स इंडिया के इंटरनेट हिस्टरीटेक के 750 करोड़ रुपए पूर्व के लिए उठाए खुदकी।
कोल इंडिया की आठ और परियोजनाओं को हरी झंडी

(21, 23)

नई दिल्ली, 21 फरवरी (बाहर)। परियोजना पूर्व वन मंज़ालवाल ने कोल इंडिया स्थापित की आठ-आठ परियोजनाओं को हरी झंडी दी है। इन परियोजनाओं की शुरुआत साल पर से लगभग हुई है। कोल इंडिया के प्रबंधन आयुक्त ने यह आदेश किया था। उन्होंने वनजल वन मंज़ालवाल ने कोल इंडिया स्थापित की परियोजनाओं को हरी झंडी दी है।

(21, 23)

भारत में वन मंज़ालवाल ने कोल इंडिया की जिन परियोजनाओं को हरी झंडी दी है उनमें नव प्रयोजन शामिल हैं। इनमें भी वनस्पति पर्यटन, सामग्री उत्पादन, खेती और हावँ शामिल है। जानकारी के अनुसार वन मंज़ालवाल ने कोल इंडिया के लिए प्रयोजन की पूर्ति की है। इस प्रतियोजन का तीन वर्षों का मानदंड है।
SILVER CROSSES ₹50,000/KG

LME gold rises above $1,400 an oz for the first time in nearly 7 weeks

SILVER breached the psychological barrier of ₹50,000 per kg today in spot trade in Mumbai’s Zaveri Bazar. After recording an all-time high, mild profit booking pushed back the milky precious metal to close at ₹49,955 a kg.

The metal gained 3.74 per cent or ₹1,975 from the previous day’s close of ₹47,980 a kg.

Standard gold shot up by ₹165 to close at ₹2,059.90 per 10 gm during today’s trade. Traders believe retail consumers have been driven out of the market due to high prices and are waiting for a correction to take a decision ahead of the wedding season in India.

Prices are rising primarily due to the geopolitical condition in West Asia, with more and more small countries in the region going the Turkey way. Hence, prices are looking up currently to surpass the ₹50,000 a kg mark for silver in a day or two. But, a correction is imminent to pull the metal down at ₹46,000 a kg in the near future, said Suresh Hundia, owner of Hundia Exports, one of India’s largest importers of silver.

Gold prices in the global market rose above $1,400 an oz for the first time in nearly seven weeks due to tensions across North Africa and West Asia. Spot gold rose to $1,400.40 an oz and was bid at $1,399.90 an oz in early afternoon trade against $1,388.58 late in New York on Friday. US gold futures for April delivery rose $11.70 an oz to $1,400.30 an oz, having peaked at $1,401.30 an oz.

In euro terms, however, gold prices recorded a high since January 19 at €1,023.91 an ounce, and sterling-priced gold recorded the highest since January 14 at £863.54 an ounce.

Holdings of the world’s largest gold exchange-traded fund, New York’s SPDR Gold Trust, fell to a nine-month low on Friday at 1,223.098 tonnes, even as prices rallied.

Silver hit a high of $33.46 but later settled for $33.36 an ounce against $32.46 an oz.

Meanwhile, oil prices surged nearly $3 a barrel to a two-and-a-half-year high, as traders eyed unrest in Libya, a major producer of the commodity.

Gold for delivery in April 2011 on the Multi Commodity Exchange (MCX) rose 0.72 per cent to ₹20,696 per 10 gm in early trade.
Asian stocks fell, snapping three days of gains, as BlueScope Steel Ltd. led steelmakers lower after saying rising raw material costs triggered a wider loss, tempering gains by oil producers amid increasing tensions in West Asia and North Africa.

BlueScope, Australia’s largest steelmaker, dropped three percent. BHP Billiton, the world’s biggest mining company, lost 1.5 percent as copper futures fell as much as 0.8 percent on speculation China may act further to contain inflation. Hyflux Ltd., which is building desalination plants in Algeria and the Middle East, fell five percent in Singapore amid mounting tensions in the region. Cnooc Ltd., China’s No. 1 offshore oil producer, gained 1.7 percent in Hong Kong as crude oil prices rose.

The MSCI Asia Pacific Index dropped 0.1 percent to 139.72 as of 7:32 pm in Tokyo, with about three stocks declining for every two that advanced. The gauge climbed three percent last week, the most since the period ended December 3, after intensified anti-government protests in Egypt forced President Hosni Mubarak to resign and reports showed the US economic recovery and corporate earnings are improving.

“The relief markets felt after Egypt’s President Mubarak resigned was short-lived as unrest continues in North Africa and West Asia amid concern it might spread to other countries where democracy isn’t established,” said Sydney-based Shane Oliver, head of investment strategy at AMP Capital Investors Ltd., which manages about $93 billion. “I think it’ll settle down without major negative global consequences, but the tail risk of an escalation is high enough to keep investors nervous.”

China reserve ratio

China’s central bank on February 18 raised reserve requirements for lenders 10 days after boosting interest rates as Premier Wen Jiabao tackles accelerating inflation and the risk of asset bubbles in the fastest-growing major economy.

Japan’s Nikkei 225 Stock Average rose 0.1 percent. South Korea’s Kospi Index lost 0.4 percent. Australia’s S&P/ASX 200 Index fell 0.7 percent, while New Zealand’s NZX 50 Index slid 0.9 percent. Hong Kong’s Hang Seng Index dropped 0.5 percent, while the Shanghai Composite Index increased 1.1 percent.

Arab governments are cracking down on pro-democracy activists as uprisings that toppled leaders in Tunisia and Egypt spread to Libya, Algeria, Yemen and Bahrain. In Libya, security forces attacked anti-government protesters, increasing the death toll over five days of unrest to more than 170, according to Human Rights Watch.

Chinese authorities acted to halt an online call for a “Jasmine Revolution,” detaining activists and boosting police on streets, the Associated Press reported, citing Chinese websites and a Hong Kong human rights group.

US futures

“Investors are looking to see whether concern over the situation in West Asia will overshadow optimism about the US economic outlook,” said Kazuhiko Takakashi, a general manager at Tokyo-based Daito Securities Capital Markets Co.

Futures on the Standard & Poor’s 500 Index slipped 0.3 percent. The index rose 0.2 percent in New York on February 18, as companies reported higher-than-expected earnings.

BlueScope declined three percent to A$2.30. The company said first-half net loss widened to A$55 million ($55.8 million) from A$28 million in the year before because of higher raw material costs and lower domestic demand.

South Korean steelmaker Posco, which said on February 18 it aims to cut operating costs amid rising iron ore and coal prices, dropped 3.3 percent to 472,500 won in Seoul. JFE Holdings Inc., Japan’s No. 2 producer of the alloy by market capitalization, sank 2.1 percent to 2,672.

US, Europe stocks

The MSCI Asia Pacific Index increased 1.6 percent through February 18 in 2011, compared with gains of 6.8 percent by the S&P 500 and 5.5 percent by the Stoxx Europe 600 Index. Stoxx Europe 50 Index are valued at 14.2 times estimated earnings on average, compared with 14 times for the S&P 500 and 11.5 times for the Stoxx 600.

Gauges of raw material producers posted the biggest decline among the 10 industry groups in the MSCI Asia Pacific Index.

BHP Billiton declined 1.5 percent to A$45.85 in Sydney. Rio Tinto Group, the world’s third-largest mining company, dropped 1.7 percent to A$88.14. Jiangxi Copper Co., China’s No. 1 producer of the metal, fell 1.2 percent to HK$25.15.

Copper for three-month delivery on the London Metal Exchange fell as much as 0.8 percent earlier on speculation demand in China, the world’s biggest user of the metal, will fall after the government stepped up measures to rein in liquidity. The contract has since gained 0.3 percent.

China property curbs

Chinese banks and property developers dropped after the reserve requirement ratio for domestic banks was increased by 50 basis points. The increase came 10 days after boosting interest rates as Premier Wen Jiabao tackles accelerating inflation and the risk of asset bubbles in the fastest-growing major economy.

China Construction Bank Corp., the nation’s second-biggest lender by market value, slipped 0.9 percent to HK$6.83. Smaller rival Bank of China Ltd. lost 0.5 percent to HK$4.11.

Agile Property Holdings Ltd., which builds villas and apartments in China’s southern city of Guangzhou, decreased 1.3 percent to HK$10.52 in Hong Kong. Hang Lung Properties Ltd., the Hong Kong-based developer that gets 16 percent of sales from China, slipped 1.4 percent to HK$27.75.
DIAMOND JEWELLERY BOOM TO CONTINUE

Certification, buyback guarantees evoke growing consumer interest

DILIP KUMAR JHA
Mumbai, 21 February

vik Mishra, a middle class employee with a private company here, was a worried man until he met an official of a renowned diamond jewellery company last Friday. With a budget of ₹2,00,000, Mishra wanted to buy gold jewellery for his sister’s wedding in March. He’s changed his mind, being now set on diamond jewellery items with the same budget.

Mishra now feels that instead of yellow gold jewellery, his sister should have coloured gemstones and other studded glitter, something he used to feel earlier was impossible.

Diamond-studded jewellery now comes with a buyback guarantee, of 90 per cent of resale value. To gain customers, the jeweller is also offering certificates of purity of precious stones and metals. Hence, diamond jewellery is now an option for us, too, as we can cash on these in case of an emergency, just like gold jewellery items, Mishra said.

Many like Mishra change their mindset when they visit diamond jewellery stores, said Rajiv Jain, chairman of Gems & Jewellery Exports Promotion Council and managing director of Jaipur-based Sambhav Gems Ltd.

"That is the reason the Indian gems and jewellery industry bounced back when other industries in India and overseas continue to struggle to overcome the global economic downturn of 2008," said Jain.

Twin appeal

The diamond jewellery industry grew 30 per cent in calendar year 2010, as consumers are lured to use items as both luxury fashion and investment. These two reasons coming together are a win-win situation for both jewellers and consumers, Jain added.

The industry is set to continue its growth momentum this year. During calendar year 2011, it is poised for 20 per cent growth, despite high raw material prices.

The resale value of other luxury items such as a lady’s purse, watches, etc., were nil, said Jain.

However, consumers can use diamond jewellery and get money back in case of economic tightness, equivalent to 90 per cent of the prevailing market price.

Hence, consumers can wear jewellery items and earn money in case the price of precious metals and stones go up, another jeweller said.

Rough diamond miners, including De Beers and Rio Tinto, have raised prices by at least 80 per cent in the past year due to scarcity in availability. Gold and silver prices shot up by nearly 25 per cent and 80 per cent in 2010, respectively. Traders feel the prices of precious metals will continue to surge this year.

Certification by global agencies such as the Gemological Institute Of America and International Gemological Institute have created a boost in consumer appeal.

Consumers have started aggressively looking at diamond jewellery as an investment avenue, said Mehul Choksi, chairman of Gitanjali Gems Ltd.

C Vinod Hayagriv, chairman of the All India Gems and Jewellery Trade Federation, has urged the government to abolish wealth tax on gems and jewellery, as it is a very small amount and should not be applied for personal collections.

Gems, jewellery exports up 39%
Pratibha Patil urges private sector to lend a helping hand

**HT Correspondent**
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NEW DELHI: President Pratibha Patil on Monday said wider economic reforms were required to sustain India's growth momentum with focus on infrastructure development. "We have to maintain the momentum for reforms on a wide front," she said in her address to both Houses of Parliament to mark the opening of the Budget session of the Parliament.

"The policies we followed to handle the global financial meltdown stand vindicated. However, there is no room for complacency. We have to strive to make the domestic environment more conducive to investment, encouraging public as well as private investment, and domestic as well as foreign investment, particularly foreign direct investment," Patil said.

Patil said infrastructure development was critical for achieving India's growth objectives. "The investment of over Rs 20 lakh crore in the Eleventh Plan is more than twice the investment in the Tenth Plan. This is proposed to be doubled in the Twelfth Plan," she said. The President said the huge quantum of investment cannot be funded by the government alone. It needs to be supplemented by private participation. "The contribution of the private sector has reached 34% of the total investment last year," Patil said. Patil also made a strong pitch for more reforms in the electricity sector.

"Total electrification of all villages is being accorded priority. Supply of quality power at reasonable prices to all, including farmers, will be possible if there is greater efficiency in the power sector. This requires concerted action on reforms in the power sector, particularly in improving the financial and technical capabilities of the electricity distribution companies in the states," Patil said.

The Mines & Minerals (Development and Regulation) Act is proposed to be replaced with a new piece of legislation, which will, among other measures, ensure that local communities benefit adequately from the development process.

"New initiatives will be launched shortly based on the report of the Task Force on Micro, Small and Medium Enterprises (MSMEs)," she said.
Orissa govt bows to Naxalite demands

By Rakesh Dixit
in Bhubaneswar

THE ORISSA government on Monday agreed to act on eight of the 14 demands put forward by the Maoists holding Malkangiri collector R. Vineel Krishna and junior engineer Pabitra Majhi to ransom.

Coinciding with the move, five jailed Maoists moved the Orissa High Court for bail amid speculation that the state would either drop or dilute the charges against them.

The Maoists who moved the high court include Ganti Prasad, Shreeshita alias Padma (wife of top Maoist leader Sam Krishna), Golub Kudipta, Ravey Manzangar and Aniket Rameshwar.

A fast track court in Malkangiri, meanwhile, reserved its verdict on the bail plea of a top-run Maoist, Bhrinivas Sutravani, till Tuesday.

Sources said the government was unlikely to oppose the bail pleas of these Maoists as their release was being sought by the Maoists.

Govt agrees to act on 8 of 14 Maoist demands

Interlocutors from Hyderabad Prof. G. Hargopal, Prof. R. Someswar Rao and Jan Adhikar Manch convenor Dandapani Mohanty held several rounds of talks with state officials for the second day on Monday.

The interlocutors have repeatedly underscored the importance of the government releasing Prasad and Sutravani for the negotiations to pick up pace.

Prof. Hargopal pressed for the release of Prasad as the interlocutors want to communicate with the rebels through him.

Official sources said at the end of the second day’s negotiations at the state guest house, the government had made it stand known on eight of the 14 demands of the Maoists including the scrapping of the controversial Poisourani project.

Home secretary U.N. Behera and Panchayati Raj secretary Surendra Nath Tripathy, who were the chief negotiators from the government side, conveyed that the state government was also opposed to the Polavaram dam coming up in Andhra Pradesh as it would submerge certain areas in Malkangiri district.

“The government is opposing the project and the matter is pending in the Supreme Court,” they said.

The state government also agreed to take up with the Centre the demand for granting Konda Reddy and Loka Dora community status of Scheduled Tribes.

The government also agreed to abide by the high court’s order if it delivered its judgment on the petitions on the death of two tribals Taungang and Ratnu Sirkis in Koraput jail.

The Maoists had categorically demanded cessation of all mining operations in the bauxite-rich Deomali hills of Koraput and cancellation of all MoUs with multinationals as they were displacing tribals.

To this the government responded saying that while mining leases were sanctioned by the Centre, it would ensure that no environmental and other concerned laws were violated during mining. It also assured to reduce displacement to the minimum.

The government also agreed to increase the irrigation potential of the Potagera irrigation project in Malkangiri district and extend the canal length from Kispaul to Muniguda by spending 100 lakhs.

It also agreed to look into the feasibility of extending the length of the project’s last canal up to Malyamkonda in the district bordering Andhra.

The home secretary, on his part, repeated that the hostages were safe and expressed hope that the talks would bear fruit soon. Sources, however, said the talks would gather pace only after the release of Prasad and Sutravani.

Normal life in several areas of southern Orissa was affected on Monday as the Orissa organizing committee of the CPI (Maoist) had called a bandh to demand the release of the arrested rebels.
Orissa Govt meets 8 demands of Maoists

Bhubaneswar, February 21
Conceding eight of the 14 demands of the Maoists on the second day of talks with the rebel-chosen mediators, Orissa government today said it was confident of securing early release of abducted Malkangiri Collector R V Krishna and a junior engineer.

"I am confident now that both the Collector and junior engineer Pabitra Majhi will be released very soon," he told reporters after two days of talks with Maoist-chosen mediators for release of the two abducted on February 16. Among the issues resolved during the meeting were recognising Konda Reddy and Nokadora communities as Scheduled Tribe, steps for scrapping Pollavaram multipurpose dam project in Andhra Pradesh, issue of land pattas to tribals whose land had allegedly been taken away in Malkangiri and Koraput, extension of a canal project in Malkangiri and compensation to families of two persons who died in jail custody due to alleged torture in Koraput, he said.

The government would also take steps for the release of two central committee members of CPI(Maoist) Sila Di and Padma lodged in Jharkhand and Chhattisgarh jails, Behera said.

The issue of stoppage of bauxite mining in Mali and Deomali hills in Koraput and Rayagada districts and cancellation of MoUs with multinational companies were also resolved.

Talks with the mediators Prof G Hargopal, Prof Someswar Rao and Danda pani Mohanty have "progressed well", Behera said. "We have been assured by the mediators that Krishna’s health is fine and there is no cause of concern," he said.

In a related development, five hardcore Maoists, including Ganti Prasadam, who has about 100 cases against him in Andhra Pradesh and Orissa, moved the Orissa High Court for bail after a similar plea was rejected by a lower court.

The Maoists, who have sought their release as one of the conditions for safe return of the two, called a bandh to press their demand but it evoked little response. — PTI
Graft, inflation top priorities: Patil

During the President's address to the joint session of House on Monday.

The Indian Express, Delhi
Tuesday, 22nd February 2011, Page: 3

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

President Pratibha Patil, Prime Minister Manmohan Singh and Parliamentary Affairs Minister Pawan Kumar Bansal arrive at Parliament for the Budget Session on Monday.

The government must find ways to strike an appropriate balance between environmental imperatives and developmental needs. The government, she said, had set up a Group of Ministers to look into issues relating to the reconciliation of environmental concerns arising out of different kinds of developmental activities, without in any way diluting our pursuit of ecologically sustainable growth paths. On mineral wealth, she said her government considered it a "vital national resource which has to be harnessed towards rapid industrial development and inclusive growth". The Mines and Minerals (Development and Regulation), according to her, is proposed to be replaced with a new piece of legislation, which will, among other measures, ensure that local communities benefit adequately from the development process. The President reiterated the government commitment to bring forward a Food Security Bill "that will entitle statutorily every family, below the poverty line, to foodgrains at highly subsidised prices". She referred to the passage of the Women's Reservation Bill by the Rajya Sabha and hoped that "it will be considered by the Lok Sabha at the earliest". Listing terrorism, fundamentalism, ethnic violence and Left-wing terrorism as "major challenges," she said the government had initiated a major revamp in the security apparatus following the 26/11 attacks. A major multi-agency centre and subsidiary multi-agency centres had been operationalised; the National Investigation Agency constituted and regional hubs of national security guards had been established. The increase in police forces, coupled with emphasis on recruitment from areas affected by Left-wing terrorism, had begun to show results. Patil said India sought a "peaceful resolution of issues through a meaningful dialogue so long as Pakistan does not allow its soil to be used for terrorist activities". Regarding recent developments in Egypt, she said, "As a democracy, we welcome the dawn of democracy elsewhere." India, she maintained, would continue to work for the return of stability and peace in Afghanistan.

The international economic situation, she said, "continues to remain complicated by the after-effects of the global financial crisis". "We have worked with our international partners in the G-20, the BRIC, and the IBSA groupings to promote an open and inclusive international trading order, resisting protectionist impulses," she added.
Life Beyond Jairam

As environment ministers go, Jairam Ramesh is a breath of fresh air: he has made environment part of the economic discourse. He has brought in a measure of transparency and out-of-the-box thinking to environmental governance. But the overriding concern is, he may not be building an institution that outlives him, reports Urmila Goswami
The Economic Times, Delhi
Tuesday, 22nd February 2011, Page: 17

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BEIJING, New Delhi, Vadodara, Posco, Lagos, Ad-hoc and so on. "Ideally we'd get the govt to create in instillations, but it takes time," he says.

GREAT EXPECTATIONS

Ramesh has made significant institutional interventions. He broke the log-

way economics are conducted in

way for business in the economy into it, turning the erstwhile wall-

flower ministry into the behemoth en-
cant terrible of the government.

further business environment.

and management of its wetlands.

Ramesh followed this up with his two big ideas for institutional change. The first was to make civil services civil for redress of all environment and forest related grievances. The second was to create an independent, profes-
sional and science-based body to app-

rations and environmental con-

The legal structure of the National Green Tribunal is in place and the Na-

ional Environment Assessment and Monitoring Authority's work is in progress. But there is a concern this is not enough. Of that general concern, the feeling stems from the sense that Ramesh represents a chance for change. He has brought environment into the economic discourse. "He is an exceptional person. It (environ-

ment minister like him) has not hap-

Ramesh enjoys a high profile, be-

Ramesh's main task is institutional reform, and he has not delivered. One can't doubt his intentions. He is probably the best minister this sector has had, but he has become the institutional
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rations and environmental con-

The legal structure of the National Green Tribunal is in place and the Na-

ational Environment Assessment and Monitoring Authority's work is in progress. But there is a concern this is not enough. Of that general concern, the feeling stems from the sense that Ramesh represents a chance for change. He has brought environment into the economic discourse. "He is an exceptional person. It (environ-

ment minister like him) has not hap-

Ramesh enjoys a high profile, be-

Ramesh's main task is institutional reform, and he has not delivered. One can't doubt his intentions. He is probably the best minister this sector has had, but he has become the institutional
PM's panel pegs growth at 9%

New Delhi: The Indian economy is expected to grow 9% in the 2011-12 fiscal year and inflation, which had shot up in the past few weeks, will continue to moderate as supplies improve, the Prime Minister's Economic Advisory Council (PMEAC) said.

In its review of the economy the council headed by former Reserve Bank of India governor C Rangarajan, said overall inflation will come down to 7% by March-end 2011. This is in line with government and RBI's estimate but economists say the sharp rise in global commodity prices is likely to intensify inflationary pressures, making it difficult to meet the 7% estimate.

Rangarajan said monetary and fiscal policies have to be appropriately tightened to protect the economy from inflation. He said inflation will continue with its easing trend in the 2011-12 as the bumper crop is expected to soften price pressures. "Inflation currently stands at an uncomfortably high level. Monetary policy has an important role to play, even in situations where inflation is triggered by supply constraints," Rangarajan said. The review said while the current year's fiscal adjustment may not be a mission has set a target for reducing fiscal deficit to 3% of GDP by 2014-15.

Rangarajan said the fiscal deficit in the current financial year was expected to be 5.2% of GDP, lower than the 5.5% estimated earlier. It is expected to 4.8% of GDP next year. The panel said implementation of the Goods and Services Tax is another major reform which could bring about significant improvement in revenues. "Therefore, there is considerable urgency in restarting the GST reform. GST reform is imperative to achieve the fiscal consolidation goals in the medium term. It is important to implement the reform without much loss of time," the panel said in its report.

GST has been delayed due to the opposition from some state governments. "The reform undertaken when the economy is on the recovery path results in buoyant revenues and therefore, will be successful. Introduction of GST will be a win-win strategy for both the centre and states and there is every reason to embrace it," the panel said, hoping that the centre and states will agree on all important issues.

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OE: Quick Estimate
AE: Advance Estimate
Source: PMEAC
Figures in %
Bloomberg  Feb. 21

Gold climbed above $1,400 an ounce to the highest price in almost seven weeks in London as unrest in West Asia and concern inflation will quicken boosted demand. Silver reached a 30-year high and palladium advanced.

Immediate-delivery bullion added as much as $14.22, or 1 per cent, to $1,403.75 an ounce, the highest price since January 4, and was at $1,402.80 at 11:52 a.m. in London. Silver for immediate delivery gained as much as 2.7 per cent to $33.5175 an ounce, the highest price since March 1980.

Bullion rose to $1,399.50 an ounce in the morning fixing in London. Palladium for immediate delivery in London rose to $859.75 an ounce after reaching $861.50, the highest level since February 2001. Platinum was higher at $1,847.88 an ounce.

Bullion rates

Mumbai: Silver spot (999 fineness): Rs 49,955; standard gold (99.5 Purity): Rs 20,899; pure gold (99.9 purity): Rs 20,695.
**Hindalco (Accumulate)**

**CMP:** Rs 213  
**Target:** Rs 243  

For 3QFY2011, Hindalco’s consolidated net revenue was below our estimates due to lower-than-expected sales volumes and higher-than-expected costs. Novelis’ top line grew by 21.2 per cent yoy and remained flat qoq at $2,560 million, as total shipments increased by 10.0 per cent yoy (down 2.1 per cent qoq) to 767kt. At the CMP, the stock is trading at 8.5x FY2011E and 7.7x FY2012E EV/EBITDA. We believe Hindalco is well placed to benefit from a) its aluminium expansion plans (capacity increasing by nearly two-three folds in the next two-four years), b) low production cost at its new capacities and c) capacity expansion at Novelis. We maintain Accumulate on the stock with a revised SOTP Target Price of Rs 243 (earlier Rs 245).

**Business Line does not assume responsibility for the recommendations sourced from third party brokerages.**

Reports may be sent to marketwatch@thehindu.co.in
Copper declines as stocks rise

Bloomberg
Feb. 21
Copper fell in London, erasing gains earlier today, on signs of excess supplies in China, the world’s largest buyer of the metal.

Copper for delivery in three months dropped $60, or 0.6 per cent, to $9,800 a tonne by 1:30 a.m. on the LME. The May futures fell 2.2 cents, or 0.5 per cent, to $4.474 a pound on the COMEX in New York.

Zinc gained $12.50, or 0.5 per cent, to $2,566.50 a tonne. Aluminium was little changed at $2,565 a tonne.

Tin for three-month delivery on the LME slipped 1.1 per cent to $32,001 a tonne, lead dropped 0.5 per cent to $2,655 a tonne, and nickel declined 0.1 per cent to $29,113 a tonne.
GMDC wins National Safety Award

Ahmedabad, Feb 21

The State-promoted Gujarat Minerals Development Corporation Ltd (GMDC) has won the National Safety Award for 2009. The PSU of the Gujarat Government has been selected for the honour by the Director-General of Mines Safety (DGMS) for its safety record at the Matano Madh lignite mine in 2009 under the category 'Lowest Injury Frequency Rate, Output – Cat 3'. This award has recognised the BSE-listed company's commitment to carry out safe mining, said Mr V.S. Gadhi, Managing Director, in a statement here today. - Our Bureau
Gold rush means hard times

Agence France-Presse
Lisbon, Feb. 21
Portugal’s financial woes have triggered a gold rush, as the country’s debt-strapped population sells off family valuables to pay their monthly bills.

From capital Lisbon to the northern city of Porto, home of the famous fortified wine, appeals to trade second-hand gold jewellery for euros are mushrooming.

“We buy used gold for cash,” read posters plastered on street corners and shopping malls. The solicitations are also made in page-long newspaper advertisements and radio spots.

“The sector is witnessing a real boom,” said Rui Pinhao, director of Valores, which catapulted to leader in the used gold market over the last two years with 150 franchises across the country.

“Last year, we have tripled our gold purchases and 2010 was our best year in two decades,” he said.

Purity of a gold ring being checked in one of many stores that have opened recently to buy gold in Lisbon, Portugal. — AFP

The used gold market is one of the few booming these days in Portugal, as the government enacts tough austerity measures to pare a soaring public debt and deficit.

Recently announced cuts in public sector pay have triggered a series of strikes, including one crippling rail services this week. The market is also blossoming thanks to rising prices for gold over the last 10 years, Pinhao said, benefiting the Portuguese “who have always been very fond of gold jewellery.”

Based on data offered by Valores and its top rival Ourinvest, buyers make a profit of between €1.5 and €2 ($2 - 2.7) per gm, which is then melted into ingots and resold on the international markets.

If merchants are celebrating the booming sales of second-hand gold, they also attest to personal tales of loss large and small: middle-aged ladies selling their jewellery to pay their rent or business owners seeking to recapitalise ailing firms.

Faced with an era of belt-tightening, “the Portuguese are not hesitating,” Pinhao said.

The tough times translate into good business for 51-year-old Luis Araujo, a former bank employee who opened his boutique in the heart of Lisbon’s old quarters six months ago.

The tools of his trade are few – just an electronic scale and a brochure showing the different types of gold, their colour and their degree of purity.

“People come and show me what they have to sell,” Araujo says, describing the average seller as a woman aged between 30 and 50 years.

“I weigh, I observe and I make them an offer. If they accept – which is almost always the case – I pay and it’s a done deal.”

Araujo’s prices vary sharply, from 20 euros ($27) for a small gold ring to up to 1,000 euros for some 50 gm of jewellery.

“The country’s economic situation has turned selling gold as a way of earning money into common practise,” said Ourinvest General Director Luiz Pereira.

While virtually all of those selling are individuals, Pereira says some include “business owners who sell their personal goods to recapitalise their companies.”

Indeed, Pereira may be among the few Portuguese looking forward to a bumper financial year.

“The prospects for 2011 are very positive,” he said, “the crisis has settled in and gold prices will likely keep rising.”
Gold Gains on Inflation; Silver Advances

London Gold climbed above $1,400 an ounce to the highest price in almost seven weeks in London on concern inflation. Silver reached a 30-year high and palladium advanced. "The mix of Middle Eastern jitters and inflation concerns continue to create a favourable price environment for the precious metals, particularly gold and silver,"

James Moore, an analyst at TheBullionDesk.com in London, said in a report. Immediate-delivery bullion added as much as $14.22, or 1%, to $1,403.75 an ounce, the highest price since January 4, and was at $1,402.80 at 11:52 am in London. Prices gained for a sixth day, the longest streak since August. The metal for April delivery was 1.1% higher at $1,403.30 on the Comex in New York. Silver for immediate delivery gained as much as 2.7% to $33.5175 an ounce, the highest price since March 1980. Bullion rose to $1,399.50 an ounce in the morning "fixing" in London, used by some mining companies to sell output, from $1,383.50 at the afternoon fixing on February 18.
Copper Erases Decline in London; Aluminum up

SINGAPORE Copper erased losses, gaining alongside other commodities including oil and gold, as geopolitical tensions escalated. Aluminum and nickel reached their highest levels since 2008. Three-month copper on the LME rose as much as 0.3% to $9,887 a tonne and traded at $9,855 at 2.28 pm in Singapore. The metal earlier fell as much as 0.8% after China's central bank on February 18 announced an increase in reserve requirement ratios for a second time this year after lending surged and inflation accelerated. "While tightening in China remains a big concern, losses are being limited today by gains in other commodities such as oil," Zhang Hao, an analyst at Hengtai Futures, said from Shanghai. Copper futures in New York gained as much as 0.4% to $4,514 a pound and last traded at $4,51, erasing an earlier drop of 0.7%. May delivery metal on the Shanghai Futures Exchange climbed for the first time in five days, by as much as 1.2% to $11,375 a tonne.
Middle-East Unrest Drives Up Gold

Precious metal soars on safe haven allure; exporters of farm and food products evaluate impact of political turbulence on their businesses

Political unrest in the Middle East is making gold more expensive for Indian consumers weeks before Holi and the marriage season as investors across the world flee to precious metals as a safe haven. But jewellers say sales will remain brisk because buyers are keen to gain from the appreciating value of physical gold.

Gold prices rose above $1,400 an ounce, or $20,720 per 10 gram, on Monday in London and New York, the highest in seven weeks. Silver is at a 31-year high of $50,000/kg.

"Gold will continue to rise in the coming days if the crisis continues in the Middle East region," said Jay Ahluwalia, chairman of Joyalukkas Group. The group has a chain of retail outlets in the Gulf region including Bahrain, which is facing political unrest.

Rahul Bhandari, partner with Kotak Securities & Merchant Bank, said sales were up by more than a fifth compared to last year. "Seven weeks ago, gold had shot up to $2,100 per 10 gram. Then it went down to $1,900. Now, it has again touched $2,000. The rally has not affected buying. Indians feel gold is a safe asset and will always yield a good return," he added. The spurt in prices has delighted brokers who are now looking forward to higher volumes.

"For the last few weeks, prices were flat with a slump in buying. Now the Middle East crisis has pushed up the demand. But the effect of the crisis has not been as sharp as it might have been some years ago because prices are already high," said Anand James, chief analyst at brokerage Geojit Contrade. While buyers of precious metals are watching their investment gain value, exporters of farm and food products to Bahrain, Kuwait, Oman and Qatar are carefully evaluating the impact of political turbulence on their business.

"Exports have not been affected so far," said Navas Meenan, director, Eastern Condiments, one of the leading exporters of curry powder to the Middle East market. "In the event of unrest, the cargo of food items meant for the supermarkets in these countries would be the first to be affected," said CS Kartha, former president of the Steamer Agents Association in Kochi. Nearly 50 containers of items containing ready-to-eat foods, curry powders and seasonings are shipped from Kochi alone every month.

The shipping sector is feeling hard pressed as it is still recovering from the disruptions created by the political crisis in Egypt. Ships that left Kochi with tea as cargo were made to wait at Egyptian ports, said Rajesh G Asher, partner of shipping agent company Jayaram and Sons. "Payments were delayed for many shippers," he added.

Tea exporters are torn between relief at resumed trade with Egypt and disruption in other parts of the region. Azam Momen, director of McLeod Russel India, India's top tea company, said, "Shipments have started moving to Egypt. However, political tensions in Libya, Tunisia and Bahrain may affect exports of south Indian tea."

Anshuman Kanoria, chairman of Indian Merchants Tea Exporters Forum, said, "Exporters are keeping a close watch on the developments in the Middle East market. Many Indian companies have investment in countries in the southern parts of Africa. Shyamal Adhikary, marketing manager (exports) of Bangalore-based Karuturi Global, which has flower cultivation on seven lakh acres in Ethiopia, said, "We have presence in Ethiopia and Kenya and both the countries are very quiet." Egypt is the biggest destination for the $7,000 crore buffalo meat industry. "I spoke with major exporters yesterday and there is no information about disruption just yet," said Aakar Tripathy, chairman of Agricultural and Processed Food Export Development Authority under the commerce ministry. "As of now, we are safe," said the executive director of a leading buffalo meat exporting company.

A payment crisis in Iran, coupled with uncertainty in Iraq, Libya, Tunisia and Bahrain, has made rice exporters nervous. Sanctions on Iran have hit basmati rice exporters. Payments from Iran, India's biggest export destination for aromatic rice, have slowed down because of no more dollar transactions. Exports to Iran through Dubai have been affected because of Abu Dhabi's apprehensions over Dubai's independent trade link with Iran," said Vijay Sethia, president of the All India Rice Exporters Association.

India has emerged as the biggest market of Indian basmati rice over the last two years with a share of 35%. It bought nearly 2.3 million tonnes basmati rice worth $135,000 crores in the previous fiscal.

"Period and amount of credit have become longer and bigger while correspondingly the payment has become smaller. Generally we work on a 90-day credit term. But it is now crossing 120 day limit," said Sethia. Indian exporters have been executing contracts through Dubai. However, after the global recession, major buyers have been negotiating with India.

Tea exporters too are worried. CS Bedi, chairman of Indian Tea Association, said, "The payment crisis in Iran is hurting the Indian tea industry. Iran is an orthodox market and bulk of our orthodox production is exported to Iran. If this situation continues for long, then those who are into orthodox tea production will have to switch over to CTC. This means that there will be a oversupply of CTC in the market. Export to Iraq is a matter of concern. We are concerned over the present situation as the new tea season is all set to begin shortly."
पचास हजार बनने चली चांदी

लाइ दिल्ली। प्रेम: विदेशी बाजारों के नक्सलकदम पर पलटने हुए, स्टीलरों ने दोहराया जो पीछे स्थानीय लिखितों की तो चांदी की चमकीली उदाहरण तीसरे स्तर में भी जाने गई। स्वामीय विश्ववाद में इस दिन समेत पार 800 रुपये उछालकर 49 हजार 500 रुपये प्रति किलो की एक बाद पर पहुँच गई। तीन सप्ताह में वह 3,000 रुपये की छुट्टी लगाना चाहते हैं। इसी की कोशिश से वह 125 रुपये भड़ककर 20 हजार 870 रुपये प्रति किलो बाजार हो गया।

अब देश में फैल रहा उच्चतम संकट को देखते हुए, बाजार में चांदी चयन का निश्चित मांग बढ़ गया है। जबकि वर्ष 1997 के अंतरराष्ट्रीय बाजार में चांदी के वापस देखते पार 33.14 डॉलर प्रति औसत के बाद पहुँच गई। दो गांधी, 1980 के बाद का उछालम बना है। भोजन भी चढ़कर 1396.35 डॉलर प्रति औसत हो गया है। इसका असर परिलक्षित भावना के भी राजस्व दिख रहा है। शादी-विवाह के मूलमंत्र की मांग भी कमजोर धारुआरों में देखी भड़की गई है।

स्वामीय बाजार में चांदी सार्वजनिक हिलीवर 945 रुपये चढ़कर 49 हजार 490 रुपये प्रति किलो बाजार हुई। हालांकि, चांदी दिल्ली में 2000 रुपये की मिश्रता आई और वह 54000-54100 रुपये प्रति किलो बाजार हुई। भोजन आयुक्त के भी 115 रुपये का बढ़ते के लिए 20 हजार 750 रुपये प्रति दस ग्राम रहे। आठ साल के बाद भी 30 रुपये सुधाकर 16 हजार 980 रुपये हो गई।