

Report # 100
BUSINESS AND POLITICS IN THE MUSLIM WORLD
India, East Asia, Central Asia, GCC, FC & China
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Weekly Report from 26 December 2009 to 01 January 2009
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This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; India, East Asia, Central Asia, GCC, FC and China from 26 December 2009 to 01 January 2009 as have been collected by interns.

INDIA

Political Front:

National level:

The Prime Minister's working group on State-Centre relations, headed by Retired Justice Sageer Ahmad, has recommended restoration of autonomy for Jammu and Kashmir. BJP refused to accept Working group's recommendation. Meanwhile opposition leader also condemned government for appointing a retired judge, as head of the working group. Apart from that Minister of State for External Affairs Shashi Tharoor has questioned the tightening of Indian visa rules in the backdrop of the David Headley case. He claimed that terrorists need no visa for their violent activities but this policy will harm country's interests as it would create hurdles for the expansion of tourism and foreign investment. Moving towards Maoist insurgency their leader Kishanji has warned government to begin violent retaliation if centre would launch operation against them.

Regional front:

Andhra Pradesh's political crisis become more acute as demand for Telangana state turned violent. Protest and strikes badly damaged law and order situation causing concerns for business circles of the state. In fact poor law and security situation has restrained foreign and local investment in Hyderabad and other business centers of the state. In the meantime Centre called an all parties meeting to discuss and solve the issue of statehood of Telangana region.

Being unable to formulate government alone, BJP decided to form a coalition government with Jharkand Mukti Morcha and other regional parties; in Jharkand.

Geo-strategic Front:

Navy has planned to buy a state-of-the-art, multi-role, new generation carrier-based fighter aircraft to enhance its capabilities. India has expressed satisfaction with Japanese increasing presence in South Asia as it would be beneficial for promoting its interests and restricting Chinese influence in the region. Meanwhile General Deepak Kapoor in his recent speech mentioned India's strategy to be prepared for simultaneous two front wars with China and Pakistan. Pakistan took strict notice of his statement and made clear that it is ready to fail any such plan and to secure its territorial integrity.

Social Front:

In Maathur village when Dalits were allowed to enter in a temple after long negotiations the upper caste Hindus left the village in reaction.

Economic Front:

Indian economic experts have forecasted fast growth of Indian economy in coming decade. They further added that if India maintains 9-10% of growth rate then till 2020 it would overtake China but for this purpose it has to control high fiscal deficit.

EAST ASIA

Political Front:

UMNO members have expressed satisfaction with Najib Razak's performance since taking over the helm as party president and MALAYSIAN PM. In PHILIPPINES a candidate of the 2010 elections was shot and wounded; being the second politician who had become victim of targeted attack. THAI PM Abhisit Vejjajiva vowed to try to prevent any unrest from taking place despite receiving warnings in this regard. CAMBODIA has issued an arrest warrant for the country's main opposition leader Sam Rainsy, who is currently in Paris. He has been charged with inciting racial discrimination and intentionally damaging property.

Geo-strategic Front:

CAMBODIAN PM claimed that he has seen a secret Thai government document outlining the plan to mount a coup but THAI PM denounced these charges and claimed that that his government has a clear policy to maintain good relations. He further added that he would not interfere in Cambodia's internal affairs or criticise domestic Cambodian politics.

Social Front:

MALAYSIAN PM has reiterated his commitment to the true values of all religions. A Malaysian court has ruled that Christians have the constitutional right to use the word Allah in reference to God. The Kuala Lumpur High Court further said that government's ban on non-Muslims using the word was illegal. A Christian group hailed the ruling as a victory for freedom of religion in the Muslim-majority country, where the issue has become a symbol of religious grievances of minority groups.

The United Nations refugee chief called on the Thai Government not to deport around 4,000 ethnic Hmong to neighbouring Laos.

Economic Front:

INDONESIAN policy makers have been trying hard to attract more foreign investment to speed up economic growth and make inroads into unemployment and poverty. Meanwhile Indonesia and THAILAND seem quite hopeful regarding speedy economic recovery this year. Vietnam's economy expanded at the fastest pace in more than a year in the fourth quarter as lending growth fueled construction and consumer sales. Its Gross domestic product grew 6.9 percent from a year earlier after a revised 6.04 percent gain in the third quarter. Despite the fact that Singapore's gross domestic product climbed by 3.5 per cent in the fourth quarter of 2009, yet growth for the full year remained negative at

minus 2.1 per cent. Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand have announced to import and export almost all goods across their borders at zero tariffs.

CENTRAL ASIA

Political Front:

Despite the fact that municipal elections remained smooth in AZERBAIJAN yet cases of interference of local authorities in the voting process in Naftalan region have been observed. Central Election Commission therefore has decided to annul election of the respective region. A court in the northeastern Kyrgyz has sentenced four people to four years in jail each for holding an illegal protest during last July's presidential elections. Uzbekistan held a parliamentary election in which four parties -- all of whom supported the rule of President Islam Karimov -- were competing.

Geo-strategic Front:

Hungarian FM called the Republic of Azerbaijan; a strategic partner in the South Caucasus region. Kyrgyzstan and Uzbekistan have resumed work of the intergovernmental commission on delimitation and demarcation of the state border after a 5-year break on December 28. TAJIKISTAN remained busy in negotiations with envoy of Iran and President of Turkey to enhance cooperation. Russia has approved and supported the commissioning of the Turkmenistan-Uzbekistan-Kazakhstan-China gas pipeline. China has already received more than 23 million cubic meters of natural gas from Turkmenistan via a newly commissioned gas pipeline, and gas supplies will be increased steadily. Turkmenistan and Russia have agreed to resume Turkmen natural gas deliveries in the volume of up to 30 billion cubic meters annually.

Social Front:

According to the Law on Holidays in Kazakhstan, New Year, celebrated on January 1 and 2, is the state holiday. Russian police have freed 15 Kyrgyz children who were forced to work in an underground factory in Moscow Oblast. Turkmen President has presided over a ceremony in downtown Ashgabat to reopen the prominent Watan movie theater. The library of the Turkmen National Institute of World Languages has got hundreds of books, published in Japan, about the culture and history, economics, arts, traditions and distinctive scientific and technological achievements of Japan.

Economic Front:

State Oil Fund of Azerbaijan (SOCAR) has announced to increase gas supplies to Russia twice - up to 1 billion cubic meters per year in 2010. Energy Minister of Kyrgyzstan went to Uzbekistan to talk over gas supply of Kyrgyzstan in 2010 and signed a gas deal. Meanwhile Kyrgyzstan-Uzbekistan sales turnover amounted to \$140 million in 11 months of 2009. Kyrgyzstan's GDP growth reached 2.4 percent in 11 months of 2009 and took the second place among CIS countries.

FERTILE CRESCENT

Political Front:

To begin with EGYPT, the National Democratic Party's supreme policies council conference was held this weekend that focused primarily on Constitutional reforms and an amendment to Article 76. Meanwhile Mohamed Habib, deputy supreme guide of the Muslim Brotherhood, resigned from his posts in the group in opposition to the recent Guidance Office elections, from which he was left out. The Iraqi elections' commission singled out 15 countries for Iraqis abroad to vote in for the upcoming elections. In LEBANON March 14 forces general-secretariat lashed back at Hezbollah Secretary-General Sayyed Hassan Nasrallah over his last speech on the occasion of Ashoura, saying they were surprised by Nasrallah's "unconcealed threats and nervous advices" he addressed to the Christians.

Geo-strategic Front:

Israeli Prime Minister Benjamin Netanyahu discussed efforts to revive the stalled Middle East peace process with Egyptian President Hosni Mubarak, but Cairo said talks can only start when Jewish settlement activity stops.

Social Front:

The Ministry of Health announced five more swine flu deaths, raising the H1N1 death toll in Egypt to 122. In the meantime Ministry of Tourism presented a new advertising campaign to lure tourists to Egypt.

Economic Front:

Iranian soldiers have withdrawn 50m from an oil well along the southern Iraqi-Iranian border. Riaz Salameh, Central Bank Governor told OTV that Lebanon could take advantage of the increase in the price of gold, adding that the Lebanese currency would be stable in 2010 and that the country's banking system would be safe from any problems in the near future.

GCC

Geo-strategic Front:

GCC shares close ties with European Union as well as African countries. SAUDI King deeply appreciated hospitality of KUWAIT during recently held GCC Summit over there. Palestinian President Mehmood Abbas paid visit to Saudi Arabia and discussed prospects of Middle East peace process. Besides that Saudi government seems keen to enhance ties with Sudan, Malaysia and Egypt. Turkish Minister of Foreign Trade has underscored the outstanding and historic relations between the UAE and his country and Ankara's commitment to further boost those ties in all areas. Meanwhile France has expressed its readiness to join the UAE in implementing its peaceful nuclear energy programme in the light of the highly advance French nuclear technology system. In the meantime growing relations of UAE with Oman and South Korea also grabbed attention. OMAN has been putting efforts to boost ties with Kazakhstan, Italy and Kuwait. Qatar reiterated support for the Palestinian cause. Some Kuwaiti Members of Parliament (MPs) have asked Israel to stop violations against holy Muslim sites in Jerusalem, particularly Al-Aqsa Mosque. Besides that growing Kuwaiti ties with Bahrain, Turkey and Poland remained significant.

Social Front:

Saudi Arabia has claimed victory in a conflict with Yemeni rebels. Around 40 Saudi officials and contractors have been detained in the probe into the November 25 flood in Jeddah which killed 120 people. Saudi Shoura (Consultative) Council has praised the increased budgetary allocations for education and manpower training. Meanwhile the Saudi ministry of education has been urged to play a major role in launching social awareness campaigns against sexual abuse of children. Disabled students in Bahrain would be given a chance to study for one year in the United States as part of a strategic plan to empower individuals with special needs. Remarkable increase in literacy rate has been a priority for Oman. Qatar's Prime Minister and Foreign Minister H E Sheikh Hamad bin Jassem bin Jabor Al Thani figures on the list of 50 personalities of Financial Times (FT) who shaped the Decade 2000-2010 in the field of culture. Qatar's divorce rate has been steadily going up. Crossing last year's figure of 939 divorces, a total of 982 couples separated in the country during the first 11 months of last year. A study conducted recently by Qatar University (QU) revealed that majority of pharmacists there lack knowledge about breast cancer. Opposition MPs in KUWAIT called Information Minister to close down what they called corrupt TV stations or resign.

Economic Front:

SAUDI government has expressed positive hope regarding prospects of increase in oil prices. The Central Bank of Bahrain (CBB) board discussed the periodic report of the bank's performance during the last quarter of 2009. In UAE Ministry of Economy announced that prices of edible and non-edible commodities won't be increased. A \$ 40 billion deal by the United Arab Emirates to acquire nuclear reactors puts it ahead in a drive to meet fast growing power needs among its Gulf neighbours, while also allowing it to export more of its oil. OMAN'S total exports of crude oil stood at 199.54 million barrels during the first ten months of 2009, against 180.41 million barrels during the same period in 2008, constituting a 10.9 per cent rise. QATAR seems quite optimistic about its growth in the year 2010 and 2011.

CHINA

Political Front:

China's top political advisor Jia Qinglin called for continuous efforts to push forward peaceful development of relations between the Chinese mainland and Taiwan. At least 15 governor and ministerial-level officials in China have been brought down mainly because of being corrupt. Senior Chinese leaders met in Beijing to discuss China's anti-corruption drive in 2009, and to plan next year's battle against graft. The State Council, China's cabinet, released a review of its legislative work in 2009, which gave a brief account of the role legislation has played in helping people improve their livelihoods and develop society generally.

Geo-strategic Front:

Senegal and China have recently signed a technical and economic cooperation agreement. Nepali Prime Minister has said that his visit to China had played an important role to further enhance Nepal-China relations and served as a milestone in the history of cordial

and cooperative relations between the two countries. The Republic of Congo has received a donation of 3.5 billion FCFA (about 7.6 million U. S. dollars) from China to finance the central African country's health facilities. China has opposed Israel's new settlement plan in East Jerusalem. Chinese strong ties with North Korea and boosting relation with Russia and EU also remained significant.

Social Front:

The Chinese government vowed to facilitate foreign journalists' work in China, but asked them to obey Chinese laws when covering breaking news. A total of 606,100 tourists from the Chinese mainland visited Taiwan in 2009, fulfilling expectations despite the impact of H1N1 flu and the global economic downturn. There have been three rounds of talks between Google and Chinese writers whose works were copied by the Internet giant without authorization. The fourth round of talks is expected to begin soon. Besides all that Chinese PM paid visits to different areas in order to know the problems being faced by people over there.

While talking about environmental issues Chinese PM claimed that despite their adherence to various summits aimed to make environment better; China has got the right to develop its industries.

Economic Front:

China has formulated various economic policies to attract foreign investment. Chinese huge economic market has become an attractive destination for the US investors. China's manufacturing has recorded growth for 10 straight months. A free-trade agreement between China and Association of Southeast Asian Nations (ASEAN) took effect on the first day of the 2010, a solid move from the two sides to demonstrate their craving for and determination on cooperation and free trade. Chinese stock exchange has been performing well throughout the week. The Chinese farmers saw their per capita annual net income rise to a historic high of 5,000 yuan (735 U.S. dollars) in 2009 despite the economic hardships.

Hong Kong & Macau:

The average wage rate for all major sectors fell 1.8 percent in Hong Kong. The Hong Kong economy has continued to rebound since pulling out of recession in the second quarter, with the latest statistics showing a reversal to year-on-year growth in exports in November. The unemployment rate for the period of September to November 2009, reached 3.3 percent, slightly dropping by 0.2 percentage point over the previous period of August to October. Macao's trade deficit for the first eleven months of 2009 has widened by 5.6 percent over the same period of last year.