

**Report # 101**  
**BUSINESS AND POLITICS IN THE MUSLIM WORLD**  
**India, East Asia, Central Asia, GCC, Turkey & China**  
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**Weekly Report from 01 January to 07 January 2010**  
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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, Turkey and China from 01 January to 07 January 2010 as have been collected by interns.

## **INDIA**

### **Political Front:**

#### ***National level:***

One of the senior members of BJP Yashwant Sinha had been sidelined by the party since he adopted policy of confrontation with some key figures of the party. As soon as he changed his stance party offered him the chairmanship of the Parliamentary Standing Committee on External Affairs. This would help him regain his lost position in the party. Meanwhile BJP's former President Rajnath Singh has asked government to redefine the term 'minorities' in terms of regions in spite of religion.

As far as Telangana dispute is concerned eight parties talks were held to resolve the issue but failed. In such situation PM Man Mohan Singh expressed serious concern regarding growing extremism in the region and declared it to be a major threat for the stability of the whole region.

#### ***Regional front:***

Governments of Chhattisgarh, Bihar and Orissa have launched operation against Maoist and Naxal rebels yet haven't achieved remarkable success so far. At this critical moment Mamta Banerje has declared government's launched operation against rebels to be a failure.

In the meantime Soren took oath as the new governor of Chhattisgarh.

### **Geo-strategic Front:**

India has expressed serious concern over China's arm supply to Pakistan. Meanwhile India has criticized the Gilgit Bultistan development in Pakistan and declared it the part of Kashmir. Besides that the increasing incidents of torture and killing of Indian students in Australia has caused serious concerns for Indian government.

New Delhi has signed Testtia river agreement with Dhaka to resolve water dispute. India shares strong bond with Afghanistan and has expressed determination to further strengthen existing ties with Africa.

### **Social Front:**

Man Mohan Singh has expressed dissatisfaction with Copenhagen's proceedings as it was not up to India's expectations. In the meantime Cold wave has claimed 125 lives in the country mainly in the northern region and UP.

### **Economic Front:**

Indian markets saw a boost on New Year start. In the last quarter of 2009, Indian exports also witnessed improvement but domestic demand helped Indian economy to gain stability. At the

same time, to boost employment corporate sector in India has decided to train 1.1 lakh jobless youth for 3 to 4 months. Food inflation however has caused a serious concern for growing Indian economy.

All the while The Kerala High Court directed the State government and the Kerala State Industrial Development Corporation (KSIDC) to ensure that a newly formed banking company, said to be based on Islamic principles, would not commence its operations until further orders.

## **EAST ASIA**

### **Political Front:**

INDONESIAN President Yodhoyono seems to have lost the ground due to strong corruption charges against some key figures of his regime. To deal with this issue he has asked his coalition partners to support him. In fact some of his coalition partners have been involved in carrying investigation of the involvement of Vice President and Finance Minister in the 6.7-trillion-rupiah (723-million-dollar) rescue of Bank Century in 2008. In MALAYSIA 102 PAS members have recently joined UMNO that has been regarded as a positive sign by the leadership of UMNO. Resignation of the health Minister in THAILAND has led to cabinet reshuffle but PM has regarded it as a minor reshuffle. Meanwhile Thailand's United Front for Democracy against Dictatorship (UDD) has announced to launch new series of protests to topple ruling regime.

### **Geo-strategic Front:**

CAMBODIAN Administrative Court has ruled against a cabinet resolution approving a Thai-Cambodian memorandum of understanding on the listing of Preah Vihear temple as a World Heritage site.

### **Social Front:**

Death toll of bird flu victims in INDONESIA reached 134. Uproar among Muslims over the use of the word Allah by Christians increased over the weekend with the firebombing and vandalizing of several churches, increasing tensions in MALAYSIA. Malaysia Foundation has strongly condemned attacks against churches and regarded this act to be a serious threat to the racial harmony in the country. Tens of thousands of Filipinos have been safely evacuated from the shadow of a volcano that began spewing ash and lava. A military commander of Philippines has declared Abu Syyaf to be a major threat despite continuous decline in its strength over the years.

### **Economic Front:**

INDONESIAN government expects its economy to grow by 6.6% annually from this year onwards. Meanwhile government has announced to reduce poverty level and to increase jobs in the years to come. Lastly Indonesian Council of Ulema has asked government to be more cautious about Halal food while importing it from Newzeland and Western countries. CAMBODIAN government has also announced its plan to set up a body to certify Halal food in the country. MALAYSIAN government seems keen to attain economic growth of 5% this year surpassing the projection of both IMF & the World Bank. Malaysia, Thailand and Singapore have recently signed Free Trade Agreement with India and South Korea. Major source of concern for THAI people appears to be economy. A recently held poll by Bangkok University discovered that 39.7 percent of the total 1,123 respondents in Bangkok feared that the country's economy would not recover. Thai government seems optimistic about their economic recovery

after the effectiveness of ASEAN Free Trade Area. One important thing is that employment conditions in Thailand have remarkably improved. Statistics indicate that unemployment in the country stood at 400,000 in December, or 1.1 percent of the working population, hence has decreased by half from nearly 800,000 last April, or 2.1 percent. PHILIPPINES and VIETNAM have been identified as two of the most potential growth markets for alcoholic drinks. LAOTIAN government has made plans to promote the agricultural production of Lao people in both dry and rainy seasons, enhance the stabilization of the national macro-economy, increase the stabilization of state administration, and promote energy and mining production by improving its management procedures and mechanisms.

## **CENTRAL ASIA**

### **Political Front:**

Municipal elections in AZERBAIJAN observed low turn out as well as some procedural violations. All this led voters to launch protest in three villages. KYRGYZ opposition leader has alleged government for its involvement in a recent journalist's murder. Tajikistan's upper chamber of parliament has approved amendments to the country's administrative code and code of civil procedure. Local Tajik officials have expressed satisfaction over their success in curtailing the influence of the banned Islamist movement Hizb ut-Tahrir in the northern Sughd Province.

### **Geo-strategic Front:**

Iranian embassy has announced its plan to introduce visa free travel with Azerbaijan. Kazakhstan has become the chairman in the Organization for Security and Cooperation in Europe (OSCE) since January, 1, 2010. Uzbek government has released two detained Kyrgyz border guards. A Tajik citizen has been sentenced to 20 years in prison after being convicted of spying for Uzbekistan. Iranian President held meeting with his Tajik counterpart during his visit to Tajikistan. Iranian officials have announced to allocate \$5mln in loan for the completion of the construction work of Tajikistan's Istiqlol tunnel.

### **Social Front:**

A major terrorist attack along the Baku-Moscow railway in Makhachkala has been prevented by FSB. Meanwhile Sonet-129 by Azerbaijani filmmaker has claimed an award at the Golden Net international film festival in Russia. Besides that 80 judge nominees have passed long-term educational training organized by the Turkey's Justice Academy before taking posts of judges in Azerbaijan.

### **Economic Front:**

Azerbaijan has launched natural gas export to Russia on 1st January 2010. Meanwhile the Central Bank of Azerbaijan has announced new record level of domestic commercial banks' assets - \$13.905 bn on exchange rate as of 1st December 2009. The size of state social and pension payments have increased in Kazakhstan. Government of Kyrgyzstan has announced its plan to build 12 small hydro power plants in the year 2010. New coins in the denomination of 1 and 2 manat were put into circulation in Turkmenistan starting from January 1, 2010 as part of the monetary reform. The second pipeline from Turkmenistan to Iran has been officially launched on 6 January 2010.

## **GCC**

### **Geo-strategic Front:**

GCC nations have planned to invest USD 109 billion on rail projects in the next 10 years in order to resolve traffic congestion issues. Saudi King Abdullah held talks with Jordanian King on major regional and international issues. Saudi Arabia and Turkey have called on Iran to avoid escalating its standoff with the international community over its nuclear program. Meanwhile Hamas' leader Khalid Meshaal has asked Saudi Arabia to play special role in Palestinian Reconciliation. President of PNA Mahmud Abbass paid visit to Kuwait. Pakistan and Kuwait Fund for Arab Economic Development have signed a loan agreement amounting to \$50 million to finance the Reconstruction of Higher Education Institution Project in the earthquake affected areas of AJK. Yemen's president met a top US general to discuss boosting military cooperation. Meanwhile Yemeni Foreign Minister claimed that his country would not allow any foreign intervention to fight against Al-Qaeda. Bahraini Parliament's speaker held meeting with his Iranian counterpart and extended support to Iranian right to peaceful nuclear technology.

### **Social Front:**

Last November's floods in Jeddah have drastically reduced the prices of property over there. Labor Ministry of UAE has allowed workers to change their employer if he doesn't give them wages for two months. Meanwhile government has made tough laws against the consumption and production of tobacco. World's tallest hotel has been opened in Dubai on 7 January 2010.

### **Economic Front:**

The heightened security screening imposed by the United States on passengers from 14 countries including Saudi Arabia would negatively impact Saudi-US trade. Bahrain's pharmaceutical market has witnessed sharp decline in the year 2009 due o global economic downturn. However above 4% growth is expected in the year 2010. According to a new report by the Royal Bank of Scotland Group the UAE and Bahrain have been added to a list of countries most at risk of suffering a sovereign debt crisis in 2010. Crumbling economy has caused instability in Yemen as secessionist movement has started in south while Shia rebellion has started in the Northern part of the country. The Middle East's first carbon dioxide recovery plant has been opened by Bahrain's Gulf Petrochemical Industries Company (GPIC).

## **TURKEY**

### **Political Front:**

Turkish PM has reiterated his commitment to democratic initiative in order to bring political reforms in his country and to resolve Kurdish issue. Military's involvement in various plots to damage democratic government has deteriorated its position in the country. Keeping all this in mind government has brought constitutional amendment allowing civilian courts to call army officers in case of breaching law. Despite all this President and PM have claimed that military is a strong institution that should be respected.

Government made high security arrangements to protect its own citizens and tourists at the eve of New Year.

### **Geo-strategic Front:**

Turkish Foreign Minister recently paid visit to Saudi Arabia. Meanwhile Palestinian President Mahmud Abbass paid two-day visit to Turkey. President Mehmet Ali Talat of the Turkish

Republic of Northern Cyprus (TRNC) went to Brussels and held several talks regarding resolution of Cyprus issue. Talat also held meeting with Turkish PM and discussed Cyprus issue. Turkish President and his Iranian counterpart have reaffirmed their joint stance ruling out a “military solution” as a way to resolve the problems of war-torn Afghanistan. Meanwhile Iran and Turkey have established a technical delegation has been set up in regard to establishment of industrial zone between the two countries. Greece has alleged Turkish fighter jets for violating its air zone. Turkey has reiterated its support for Palestine and has strongly condemned Israel for deploying its troops in Gaza. At the same time growing Turkish-Chinese ties also grabbed attention.

Moving towards the issue of Turkish membership of the EU split can be observed among various European countries. For instance Germany as well as Belgium’s newly appointed prime minister have backed Turkey’s membership talks with the European Union. In the meantime Spain has rigid stance regarding Turkish membership of the European Union. Spanish view has become critically important since it has got rotating presidency of the EU this year.

### **Social Front:**

Success of Imam-hatip Schools in Turkey has led many countries including Bulgaria, Pakistan and Russia to ask Turkish government to assist them in establishing such system over there. Hurriyat Daily’s Editor-in-Chief Ozkok resigned from his post as he misread the ongoing situations in the country. A bill proposed by Republican People’s Party (CHP) to postpone the implementation of a smoking ban in closed areas. Pope Benedict XVI has sought more freedom for the Catholic Church in Turkey.

### **Economic Front:**

Despite economic recovery Turkish textile sector still seems to be in doldrums as textile exports have decreased by 22%. Turkish Stock exchange has observed remarkable improvement. Meanwhile Turkey seems eager to explore various markets.

## **CHINA**

### **Political Front:**

Chinese central authorities have stressed the promotion of honesty and uprightness among the public, especially government officials, in enhancing clean governance and anti-corruption drive. Corruption has badly affected Chinese image at international level. Government therefore seems keen to take various measures to end corruption from the country. A total of 106,626 officials across China were penalized for disciplinary violations from January to November last year. Leaders of CPC have build connection with a million party workers via mobile server; hence modern technology has been applied to the party management.

### **Geo-strategic Front:**

China has asked the US to cancel and cease arms deal with Taiwan. Meanwhile China has extended support to dialogue between the Democratic People's Republic of Korea (DPRK) and the United States. Besides that China has reiterated its calls for diplomatic efforts on the Iran nuclear issue as the United States seeks sanctions against Iran. China has asked international community to increase aid and assistance to Afghanistan. Besides all that China has been putting serious effort to boost ties with Uruguay, Britain, EU, Mexico, Africa, Singapore, Nigeria, Italy, Chili, Norway, Turkey, Cambodia, Vietnam, Thailand and Pakistan.

**Economic Front:**

China has announced to encourage private enterprises to invest in publishing business. A survey by global marketing research firm ACNielsen has indicated remarkable growth in Chinese consumer confidence. Meanwhile Chinese stock exchange remained fluctuated. Total revenue in China's tourism industry is expected to grow 13 percent to hit 1.4 trillion yuan (205 billion U.S. dollars) in 2010, as the country has introduced favorable policies to back the industry.

**Social Front:**

China has declared foreign workers as an asset for the country's development. A senior Communist Party of China (CPC) leader called for intensified efforts to enhance media supervision to better channel public opinions and foster healthy social trends. Besides that one on the most important development has been remarkable decrease in the swine flu.