

Report # 106
BUSINESS AND POLITICS IN THE MUSLIM WORLD
East Asia, India, Central Asia, GCC, Fertile Crescent & China
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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, Fertile Crescent and China from 6 February 2010 to 12 February 2010 as have been collected by interns.

EAST ASIA

Political Front:

Indonesians have started looking for mature democracy in their country amidst various reforms being introduced by the government. Anti-government group in Thailand has started mobilizing masses to launch demonstrations later this month. Opposition party's inability to avoid political crisis in their controlled states has clearly evinced their weakness.

Geo-strategic Front:

Cambodia has hit out at Google over what it called a "radically misleading" map of the disputed Thai-Cambodia border, accusing the world's biggest search engine of being "professionally irresponsible".

Economic Front:

Asian economies have started boosting because of states' efforts in this regard. Indonesia remained at top in terms of its economic growth in the last quarter of the year 2009. Inflation in Philippines has increased remarkably. Officials from Cambodia and Laos have expressed positive hopes regarding improvement of their bilateral trade.

INDIA

Political Front:

Rahul Gandhi has appealed public to get mobilized against extremist policies of Shiv Sena. Meanwhile BJP has welcomed the judgment of the Andhra Pradesh High Court invalidating State legislation on reservation for minorities. The Left Front government in West Bengal has announced the implementation of the Ranganath Mishra Commission's recommendations by deciding to reserve 10 per cent of government jobs for the economically, educationally and socially backward sections among Muslims.

Maoists blasted railway tracks and train in Orissa and Bihar. While talking about Maoists government of Jharkhand claimed that use of force is not the only mean to counter insurgencies rather government should help them to come out of deprivation in order to deal such issues.

Geo-strategic Front:

India has successfully test-fired its nuclear-capable Agni-III ballistic missile, with a range of more than 3,000 km. Meanwhile Pakistan has accepted India's proposal for negotiations without any preconditions.

Social Front:

According to UNESCO report India figures among the four countries that have seen a marked increase in systematic attacks on schools, students and teachers between 2006 and 2009. In India, nearly 300 schools were reportedly blown up by Maoists in this span.

Economic Front:

Despite the government claims that India stayed least effected in global economic crisis; some reports clearly indicate that poverty has increased in India. As far as issue of unemployment is concerned it is assumed that Job losses in India were primarily in export-oriented industries like textiles while employment levels in Indian firms catering to the domestic market remained largely unaffected. Orissa government has refused to accept any financial assistance from the European Union for rehabilitation of victims of Kandhamal riot.

CENTRAL ASIA

Political Front:

Chairman of the opposition Great Establishment Party and member of the Azerbaijani parliament Fazil Mustafa has claimed that opposition's current approach would not bring some positive results for the party in upcoming parliamentary elections. About 1,000 protesters gathered in the southern Kyrgyz village to demand the release of former Defense Minister Ismail Isakov. Registration for Tajikistan's parliamentary elections has ended, with 150 candidates officially allowed to run. Meanwhile 229 candidates have been registered for the lower chamber of parliament.

Geo-strategic Front:

Azeri President during his visit to Germany also held meeting with Turkish Foreign Minister. Meanwhile Israeli Foreign Minister started a three day visit to Azerbaijan. Kazakh Foreign Minister's visit to the US hasn't led to signing of any agreements. Meanwhile Turkish Foreign Minister also paid visit to Kazakhstan. Kazakh government has been struggling to get its airlines removed from the EU Blacklist. About 150 Afghans imprisoned in Tajikistan have been transferred to Afghan officials. Turkmen President paid visit to France despite strong criticism from Rights groups. Korea has announced to provide US\$12 million in aid to Uzbekistan this year in line with its effort to boost the two countries' strategic partnership.

Social Front:

An Azerbaijani parliamentary committee has started working on a draft law on the de-Russification of Azerbaijani last names. A Kazakh court has struck down a ruling blocking the press from printing potentially damaging material about the president's son-in-law. A group of women engaged in recruitment to Hizb ut-Tahrir (a religious-extremist organization) have been arrested in Bishkek. Tajikistan's Supreme Court has sentenced a suspected Al-Qaeda member to eight years in jail. The activities of a Baptist

Church in Tajikistan were suspended by a Dushanbe court as the church didn't apply for registration despite government's insistence. An Uzbek photographer and film director was found guilty by a Tashkent court of portraying her country as "backward" for a collection of photographs and a documentary depicting the daily struggles of people in rural Uzbekistan. In response to that some 20 supporters of the photographer held a rally outside the Uzbek Embassy in Moscow.

Economic Front:

The SOCAR, Azerbaijan's state-run oil firm, has built a gas pipeline to the Lanchkhuti region of Georgia. Having become one of the largest (16.81%) shareholders in the North-Caspian project; Kazakhstan has started paying closer attention to the costs associated with the development of this major and much promising project. Uzbekistan has cut off natural gas import to the south region of Kyrgyzstan. The volume of investments into a fixed capital in Kyrgyzstan has grown up by 19.7% in 2009. Only Uzbekistan can have a higher index due to a 28.3% increase of investments inflow in 2009. The Asian Development Bank (ADB) has completed its microfinance systems development program in Tajikistan, facilitating the development of a vibrant and growing microfinance industry in the country. Turkmenistan and UAE have signed agreement to enhance trade, economic and technical cooperation. In 2009, trade turnover between Turkmenistan and Russia amounted to US \$ 1,247 billion (excluding deliveries of natural gas), including exports to Russia totaling U.S. \$ 51 million, and imports to Turkmenistan totaling US \$ 196 million.

GCC

Political Front:

Yemeni President has issued a directive on cessation of hostilities against the Shiite Houthi rebels in the northwestern part of the country.

Geo-strategic Front:

GCC and EU officials held a meeting to discuss ways of activating the cooperation agreement. Meanwhile GCC Secretary General categorically rejected the International Criminal Court's (ICC) accusation of Sudanese President Omar Al-Bashir of genocide in Darfur. The ICC took the decision at the time when Arab League and African Union (AU) were making progress in the Darfur peace talks in Doha. Israel's Deputy Foreign Minister Danny Ayalon denied apologizing to a senior Saudi diplomat (who claimed that hand-shake occurred only after Israeli's apology) before a rare public handshake between officials of the two states. Police Chief of UAE has claimed that it would seek arrest of Israeli PM if it would find evidence of Mossad's involvement in the killing of a senior Hamas official.

Social Front:

Human Rights Watch has accused Bahrain for torturing detainees in jails. It claimed that prisoners in three cases mostly linked to protests in 2007 and 2008 in Shi'ite Muslim villages had been beaten and abused during interrogations. In response Bahrain has promised to investigate the situation. Kuwait has reiterated its commitment to

international Human Rights Legislation. All the while Bangladeshi PM during her visit to Kuwait stressed greatly on the need to strengthen ties between the two countries.

Economic Front:

Bad managers, lack of adequate investment in scientific and technological research initiatives, near-absence of technical and vocational training for local manpower and the private sector ignoring manufacturing ventures have been identified as major challenges in steering the Gulf economies away from their dependence on hydrocarbon resources. In addition to this Saudi Arabia's defense ministry would for the first time allow local firms to bid to supply basic materials excluding arms with the long-term goal of encouraging a domestic military industry. Massive renewable energy projects undertaken by the UAE and other Middle Eastern countries would turn them into solar energy exporters along with their large hydrocarbon exports. Hence after oil, Arab countries would start exporting solar energy. Oman and Iran signed the minutes of the consultative meeting of the Joint Technical Committee regarding implementation of memorandum of understanding on tourism. Saudi Aramco has concluded supply deals to purchase up to 7.14 million barrels of gas oil for delivery in 2010 from private trading firms and international oil companies.

FERTILE CRESCENT

Political Front:

Amnesty International has condemned Egyptian government for launching crack down against main opposition group i.e. Muslim Brotherhood, and called government to give them right to have freedom of expression. The Lebanese Cabinet approved the adoption of pre-printed ballots in the upcoming municipal elections scheduled for June but ministers failed to reach an agreement over other disputed reforms. A discussion would start over the bill allowing expatriates to vote in Israeli elections that has recently been presented in legislature by Yisrael Party. Likud Party however would oppose the bill. The campaign for Iraq's parliamentary elections has officially started amid a continuing controversy over a ban on scores of candidates. Many of those on the blacklist were banned for links to the Ba'ath party of former Iraqi leader Saddam Hussein. The ban raised tensions between Sunni Muslims and Shi'ite, with many Sunni Muslims -- who were dominant under Hussein.

Social Front:

Egypt has offered soft loans and other incentives to encourage polluters to clean up. In the view of various natural disasters that happened on Lebanese soil; government has started putting efforts to make plans in order to cope with such issues.

Economic Front:

Egypt's economy recorded its fastest growth in more than a year in the fourth quarter, boosted by tourism, construction and manufacturing, Economic Development. Egypt's urban annual consumer price inflation climbed to 13.6 percent in the year to January. Egypt has started looking for the growth of exports and increase in foreign direct investments in order to counter the effect of global economic crisis. An agreement changing the price of Egyptian natural gas exports to the Israel Electric Corporation

(IEC) has come into force. Prices have increased from US\$2.75 to around US\$4 per British thermal unit (Btu), signifying a 45 percent rise. The Institute of International Finance (IIF) revised upward its estimate for economic growth in Lebanon to 8.7 percent in 2009 from 6 percent previously. It said the new estimate is the highest growth rate in the region, and is an improvement over an already impressive real GDP growth rate of 8.2 percent in 2008. It added that while most emerging economies suffered sharp slowdowns in 2008 and 2009, Lebanon has enjoyed a surprisingly countercyclical growth pattern, as its economy grew faster than China and India last year. Iraq has urged Iran to implement a memorandum of understanding under which Iranian firms are required to implement big housing and construction projects in the country.

CHINA

Political Front:

Senior Chinese leader He Guoqiang has stressed the country's determination and efforts in fighting corruption in a lengthy report published recently.

Geo-strategic Front:

Positive hopes have been associated with the chance of growth of Chinese and Taiwanese relations. Chinese PM has urged both China and Japan to enhance mutual trust and step up dialogue and cooperation in all spheres. Meanwhile China intends to strengthen ties with India, South Korea, Nepal, Kazakhstan, Cambodia, Ukraine, Nigeria, Australia, Costa Rica and the US. China has rejected speculation that its increased power would prompt the country to seek a leadership or hegemonic role in the world, stressing its path for peaceful development. China has called for increased diplomatic efforts and an early agreement for an internationally-backed nuclear fuel proposal for Tehran after Iran started its higher-grade uranium enrichment program. Despite Chinese strong opposition the US President has announced his plan to meet Dalai Lama. China has asked US to immediately withdraw the decision of Obama-Dalai lama meeting.

Social Front:

China has published Chairman Mao Ze dong's manuscripts on military theory and strategies and national defense, part of which were made public for the first time. China's drive to curb overseas trips by officials using public money has significantly cut the number of such trips in 2009. Chinese Premier invited more talented foreigners to work in China. China's top political advisor has called for religious believers' role in promoting the country's economic development and social stability. China's central government has earmarked 3.17 billion Yuan (463.9 million U.S. dollars) to cover tuition fees of city-born children in primary and junior high schools nationwide. Meanwhile central government has allocated 37.2 billion Yuan (5.45 billion U.S. dollars) to subsidize nationwide medical reforms. The Islamic Party of Turkestan (IPT), and Uighur jihadist organization, released a video on February 10, 2010 in which it claimed to have carried out a number of attacks in China in 2009.

Economic Front:

A top Chinese think tank forecasted the nation's economy would experience a mild rebound this year, with gross domestic product expanding around 10 percent year on

year. Chinese Vice President has asked his party to play potent role in transformation of economic development mode in the country. Meanwhile production of 68 Chinese large and medium steel and iron industries has observed sharp decline. All the while its auto sales doubled in January.

Taiwan's January exports to the Chinese mainland reached 9.54 billion U.S. dollars, the highest figure in 17 months. Saudi Arabia, Iran and Angola remained top three oil suppliers to China. Stock exchange of China as well as Hong Kong witnessed remarkable boost.