

Report # 111
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Turkey, GCC, Fertile Crescent, Central Asia, East Asia, South Asia, India & 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; Turkey, GCC, Fertile Crescent, Central Asia, East Asia, South Asia, India & China from 13 March to 19 March 2010 as have been collected by interns.

TURKEY

Political Front:

Turkish ruling party has finalized a draft package to bring amendments in the Constitution. In order to convince opposition and to get their support in this regard; PM has announced his plan to visit opposition parties and to hold discussion over the issue. Meanwhile Turkish government has also considered referendum to be an option in order to get his draft package approved. As far as the issue of coup plot is concerned; Turkish top General has denied the allegations that his soldiers had been involved in planning a coup to topple ruling regime. He also condemned police for blocking a truck having ammunition just on the basis of some e-mail and for not informing army about the issue. All the while he claimed that military-civilian relations would never get severed. The Council of Europe's advisory body has recommended that Turkey introduce legislation making it possible for religious communities to acquire and maintain a legal personality.

Geo-strategic Front:

Turkish PM has taken a harsh position against undocumented Armenian workers in Turkey, threatening to expel thousands amid tensions over allegations that Armenians were victims of "genocide" during the last days of the Ottoman Empire. The partners in the planned Nabucco natural-gas pipeline to Europe would conclude a production-sharing agreement in April. Turkish PM claimed that news about Iranian nuclear program should be considered as 'rumor'. European Union's commissioner for enlargement said that the visa procedures between EU and Turkey might be lifted "some day". President of Turkish Republic of Northern Cyprus (TRNC) has announced to hold meeting with Greek Cypriot leader to discuss various issues.

Turkish President has called Africa to be its important strategic partner. Turkey had been contributing a lot to provide humanitarian assistance to various countries that have suffered from natural calamities. Turkish public has strongly condemned Israeli acts of aggression against Palestinians.

Economic Front:

Recent figures on industrial production index (IPI) in Turkey have indicated slow recovery in the country's macroeconomic outlook. Turkey and the IMF failed to reach an agreement on a loan stand-by deal because of projected distribution of extra income in case Turkey grows more than 3.5 percent in 2010. Meanwhile Turkish close economic

ties with Britain, South Korea, Africa and Iraq remained important. Besides that unemployment in Turkey has remarkably increased.

Social Front:

'Nevruz' has been warmly welcomed by thousands of Turkish people. Turkey's Higher Education Board has overruled its earlier decision to grant Turkish students who study abroad the right to transfer to Turkish universities without taking the university entrance exam.

GCC

Political Front:

Yemeni air force launched strikes against Al-Qaeda hide outs for two consecutive days and killed some of Al-Qaeda members. Meanwhile Yemen's northern rebels have freed 178 soldiers and civilians as part of a cease-fire agreement with the government. A conservative lawmaker in Kuwait pledged to bring up in the parliament the issue of making the veil mandatory for elected and appointed officials. This act can cause further divisions in Kuwaiti parliament. Bahrain's business community has started thinking in terms of making a political society in order to enter the parliament and help promote its views and interests.

Geo-strategic Front:

Pakistani Ambassador to the UAE has urged the Pakistani community to join hands with the country's mission in the emirates in solving its problems. Kuwaiti and Saudi Arabian citizens would soon be able to travel between the two countries using their identity cards instead of passports. A society dedicated to resisting the normalization of ties with Israel has urged the upper chamber of the bicameral parliament to endorse a draft law to criminalize contacts with Israelis.

Economic Front:

Aggregate earnings of GCC companies showed a second consecutive year of decline. With 67 percent of companies declaring results so far, aggregate results show a decline of 5 percent for GCC as a whole for 2009 versus an 18 percent expansion in MSCI EM EPS, and a 9 percent contraction in S&P 500 EPS for the year. Meanwhile the United Arab Emirates University (UAEU) has signed three Memorandums of Understanding with three different specialized companies to transfer technology of date palm tissue cultivation.

Social Front:

Private recruitment offices in the Eastern Province have increased the waiting time for Indonesian housemaids from seven weeks to three months. Now these offices have started taking various measures to improve their functioning. A Kuwaiti conservative parliamentary bloc has started putting pressure on the social affairs and labor minister to take stringent action against those who allowed a women's football team to take part in a regional tournament. A Bahraini lawmaker has urged the country's civil society, political societies, media, and upper chamber to support a drive by the lower chamber to ban alcohol in Bahrain.

FERTILE CRESCENT

Political Front:

Several Egyptian opposition groups have asked for political reforms and more freedom. The groups further demanded an end to the concentration of power in the president's hands and reforms to laws that place restrictions on parties. They also called for peaceful protests ahead of parliamentary polls due in October. Meanwhile the National Democratic Party (NDP) has denied accusations of a secret deal struck with certain opposition parties to divide the Muslim Brotherhood's current parliamentary seats amongst them. With nearly 80 percent of the votes counted from Iraq's March 7 parliamentary elections, the main winners appear to be Prime Minister Nuri al-Maliki and challenger Iyad Allawi. But the two front-runners are neck and neck. The vote count so far shows Allawi's Al-Iraqiyah coalition narrowly ahead of Maliki's State of Law alliance by less than 9,000 votes. The Iraqi National Alliance, a coalition of Shi'ite religious groups, looks set to come in third, followed by the Kurdistan Alliance, composed of the two main factions in the autonomous Kurdish region. Parties have got engaged in coalition talks even before completion of vote count. General Secretariat Coordinator of March 14 claimed that party's focus had always been to make Lebanon safe and secure at all fronts.

Geo-strategic Front:

Arab countries have started losing faith over American role to resolve Israel-Palestine issue because of its bias attitude in favor of Israel. Iran has congratulated Iraq for successfully holding elections.

Economic Front:

As an anti-crisis measure, the government of Egypt has aimed stimulus money at large infrastructure development projects, including water treatment plants, railways, highways and housing. Around LE 23 billion (€3.1 billion) has been issued since October 2008 to stimulate the economy and more money would be added to it.

Social Front:

The one-day conference has been organized by the Organization of the Islamic Conference (OIC), which groups 57 members to form the world's largest Islamic assembly, and is to be co-chaired by host Egypt and Turkey. Employees of the Islam Online (IOL) website continued their sit-in for the third day running at their Sixth of October offices, demanding their settlement packages after the majority of them submitted their resignation. Meanwhile Egypt has been listed as an "enemy of the internet" by Reporters without Borders as a US State Department 2009 report on human rights highlighted Egypt's ill-treatment of bloggers and internet activists in 2009.

CENTRAL ASIA

Political Front:

While discussing election plans ruling party of Azerbaijan has denied support for the candidates of other parties as they haven't created coalition. Meanwhile jailed opposition journalist has been pardoned. Opposition forces in Kyrgyzstan outlined the requirements

for the Kyrgyz government to be performed until March 24, 2010. Tajik President has rejected criticism of last month's parliamentary elections, describing them as democratic and transparent. Turkmen parliament held unanimous vote for new laws.

Geo-strategic Front:

Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan agreed on the main issues of the draft Agreement on joint activities at the level of border and customs services and internal affairs bodies to ensure security in the Caspian Sea. Higher officials of Azerbaijan and Kazakhstan held meeting to discuss perspective of cooperation. Kazakhstan and Norway have signed agreements to enhance cooperation in various fields. Tajik President discussed Afghan issue with his Turkmen counterpart during his visit to Tajikistan. Russia has emphasized greatly on close ties with Turkmenistan. Kazakh President paid an official visit to Uzbekistan and discussed areas of cooperation.

Economic Front:

Kazakh oil and gas exports have increased by 16.7% in January as compared to the same period last year. Japan has given US\$1.5 million to WHO for improving healthcare on Tajik-Afghan border.

Social Front:

The U.S. Helsinki Commission has criticized a Baku court's rejection of appeals by two Azerbaijani bloggers against their prison sentences. The warden of a notorious Kazakh jail and one of his subordinates has been arrested on suspicion of extortion. Over 2,000 people have been evacuated from several villages in eastern Kazakhstan due to severe flooding caused by melting snow. The director of the OzenMunaiGaz energy company has been fired amid a strike by thousands of oil workers in southwestern Kazakhstan. RSF has strongly condemned Kyrgyz government over the issue of harassment of opposition media persons.

EAST ASIA

Political Front:

Major areas of concern for Indonesian President seem to be economy and terrorism. Thai PM has again invoked internal security Act in order to contain Red-Shirt protestors; who have announced to launch rally asking government to hold elections. Police commanders have assured to let protestors hold peaceful demonstrations. Malaysian cabinet has agreed to have the ISA amended, among others on the detention period, rights and treatment of ISA detainees, the powers of the Home Minister, detention without trial and on the issue of perception that it was being abused for political interests. A high-ranking United Nations (UN) official has called for the implementation of the 1996 Tripoli Agreement between the Philippine government and the separatist Moro Islamic Liberation Front (MNLF).

Geo-strategic Front:

Indonesians seem quite excited about upcoming visit of the US President Obama that has been delayed right now due to his domestic commitments.

Economic Front:

Positive hopes about US-Indonesian economic ties prevail in Indonesia. Vietnam has long been the largest producer of coffee and is now the world's second biggest exporter.

Social Front:

A group of Catholic bishops urged Filipinos to vote for candidates who would fight corruption and alleviate poverty, which have been plaguing the country. The largest Muslim organization in Indonesia, i.e. Muhammadiyah, has declared that smoking is haram, or forbidden under Islamic law. In response to that Religious Affairs Minister condemned the organization for its anti-tobacco edict, saying it should act more wisely and not cause "restlessness" among public. Cambodia has temporarily barred its citizens from marrying South Korean men after two dozen women were sold into marriage by matchmakers. Filipino Minister of State for Foreign affairs claimed that Pakistan and the Philippines have been partners for promoting dialogue and cooperation among followers of different religions. Sourcing contracts between Nestlé and Indonesian palm oil producer Sinar Mas have been terminated following criticism from environmental pressure groups. The move by the world's largest food group came after Greenpeace released a report this week which looked into its sourcing practices. The environmentalist group identified the oil producers as guilty of mass deforestation in its production of palm oil. Meanwhile seventeen of 18 volcanoes in Indonesia are on alert status and emitting toxic gas.

SOUTH ASIA

Political Front:

Amidst political crisis in Nepal, UN decision to send its special mission to ensure peace over there; has raised people's hopes. Government of Nepal however has to approve UN proposal. Opposition Maoists have stepped up consultations with smaller parties, apparently in a bid to secure their support for launching a no-trust motion against the coalition government of Prime Minister Madhav Kumar Nepal. The Unified CPN-Maoist Maoist party, which has 238 seats in the 601-strong Constituent Assembly, needs another 63 MPs for the approval of a vote of no confidence. Sri Lankan President Mahinda Rajapakse has warned his former military commander against entering into politics. All the while Sri Lankan Election Commissioner has ruled out the possibility of having foreign observers at the counting centers of upcoming parliamentary polls.

Geo-strategic Front:

Bangladeshi PM has paid official visit China in order to boost already existing ties with the later. Meanwhile high officials from India and Bangladesh held talks to resolve water dispute. Besides that Indian border security force has agreed to remove their newly set up border post inside Bangladeshi territory. All the while at least 18 villagers were injured during a two-hour firefight between Indian and Bangladeshi troops across the troubled border. The shoot-out occurred when indigenous Indian tribal people entered Bangladeshi territory to fish. Philippines has banned import of poultry products from Bhutan amidst outbreak of bird flu over there. Meanwhile Nepal and Bhutan held talks to boost their bilateral trade ties.

Economic Front:

Bangladesh's foreign direct investment (FDI) halved to \$297 million during the first half of the fiscal year to end June 2010 because of global recession and crippling shortages in local power supply. The European Union (EU) has signed grant contracts worth US\$20.21 million (BDT 1.40 billion) to help the people of Bangladesh deal with a drastic increase in food prices.

Social Front:

Water transport workers began an indefinite strike on all river routes across Bangladesh as they demanded better pay and working conditions. UNESCO goodwill ambassador and the founder of South Asia foundation (SAF), has committed to donate USD 1 million to help start a centre for South Asia forestry studies in Bhutan. Maldives has decided to introduce complete ban on Shark-fishing. Keeping environmental concerns in mind, government of Maldives has announced to take-forward the country's pledge to become carbon neutral by 2020. About two dozen Tibetans jailed in Nepal for protesting the Chinese occupation of their homeland have gone on a hunger strike in Kathmandu. Meanwhile the United Kingdom (UK) has expressed its concern over intimidation and violence against journalists and human rights defenders in Nepal.

INDIA

Political Front:

Rashtriya Janata Dal (RJD) along with other regional parties including the Lok Janshakti Party (LJP) and the Samajwadi Party (SP) has recorded their opposition to the women reservation bill in the Lok Sabha. At the same time Deobandi and Barelvi sects have also opposed the Women's Reservation Bill which has already created unrest among Islamic scholars and bodies. Meanwhile BJP and Leftist Parties have strongly criticized government's decision to introduce a Bill in the Lok Sabha regarding the limiting compensation in case of a nuclear accident. The passage of the Bill seems to be crucial to make the Indo-U.S. civil nuclear agreement operational and allow the entry of private U.S. companies which have already been assigned land for a nuclear park. France and Russia have also been informed of land being earmarked for their companies and the Bill would also benefit them.

Geo-strategic Front:

India and Russia have signed several agreements in the defense and strategic spheres, besides taking steps to extend their partnership in new areas such as energy and fertilizers during the visit of Russian Prime Minister Vladimir Putin. In spite of renewed tensions seen in recent months, Indian and Chinese officials struck a positive note on Sino-Indian ties, saying the long-running border dispute had become increasingly less relevant to bilateral relations. Pakistan seems determined to bring water issue on table along with Kashmir dispute. It proposed some measures to make Indus Water Treaty more effective but India refused to accept allegations. Meanwhile India has expressed serious concern about Pak=Afghan current situation.

Economic Front:

Foreign fund inflows into India's stock market climbed to a record 834.2 billion rupees in 2009, beating the previous high set two years earlier in local currency terms, as the biggest rally in 18 years lured foreign investors. In the meantime the Bombay Stock Exchange's Sensitive Index gained 218.19, or 1.3 percent, to 17,383.18, the highest level since Jan. 20.

Social Front:

India's cabinet approved a proposal to allow foreign universities to set up branches, potentially opening a huge market to international educational institutions. All the while the water of the holiest among holy rivers -- the Ganga -- fails to meet the drinking and bathing standards due to pollution caused by daily sewage.

Regional Front:

At least 12 people were injured in a bomb explosion in a jeep near Lakshmipur in Bihar. The Gujarat government rejected the Congress demand for the resignation of Chief Minister Narendra Modi, in the wake of the Supreme Court-appointed Special Investigation Team (SIT) summoning him for questioning in connection with the 2002 Gulberg Society massacre. All the while, in a suspected case of child sacrifice, five children of a family were killed in a village in Hingoli district and four persons, including three women, have been arrested in this connection. Lastly, the School Education department of West Bengal has decided to appoint 35,000 primary teachers within the next two months.

CHINA

Political Front:

The amendment to the Electoral Law, that grants equal representation in legislative bodies to rural and urban people, adopted by the National People's Congress (NPC), China's parliament, has marked an important step to improve the people's congress system and advance socialist democracy. China's anti-corruption chief has urged cadres of the Communist Party of China (CPC) to refrain from abusing their authority for illicit gain and to win public trust through clean governance. Chinese PM has expressed serious concern regarding mounting domestic and external pressures being faced by China. Chinese top political advisors have emphasized greatly on the need to enhance ties with Taiwan.

Geo-strategic Front:

A Communist Party-backed Chinese newspaper has quickly refuted a top Indian scientist's claims that India's ballistic missile defense technology is superior to that of China. It further declared India to be 10-15 years far from China in terms of technology. Chinese vice Premier has urged the United States to respect China's core interests and major concerns. China has reiterated its call for diplomatic efforts to resolve the Iranian nuclear issue, urging all parties to move toward a negotiated solution to the long-standing issue. Cambodian PM has reiterated that China's development would benefit the region and the developing countries. Chinese have been putting enormous effort to boost ties with Britain, Poland, African countries, North Korea, Bangladesh, Russia, and Australia. China has also asked world to collect more aid and funds for Afghanistan. China and the

US have got engaged in talks to sort out irritant factors between the two countries. In the meantime chances of Google's closure in China have further increased.

Economic Front:

Chinese fiscal revenues have increased almost 33% in first two months of the year. China has promised to make institutional arrangements to give national treatment to foreign investors. Chinese PM has also expressed serious concern regarding instability of the US dollar and its likely impact on Chinese assets. China has emerged as Iran's top economic partner, investing heavily in the energy sector and filling the gaps left by Western firms forced out by international sanctions. Many economists think that China's efforts of switching economic growth pattern would help to make an overall more stable world economy. A record 51 percent of Chinese depositors have regarded prices of consumer goods as "unacceptably high. All the while China has voiced its support for the liberalization of global trade and opposition to trade protectionism in all its forms in order to pave the way for the economic recovery in the world at large. The threat of inflation to China's economy has been regarded as less worrisome compared with asset bubble by Chinese economists.

Social Front:

Almost all of the 25,100 tonnes of defective milk powder seized in the 2008 toxic baby food probe had been incinerated and buried, and none had been found to have re-entered the market. China's current severe drought could aggravate inflation, driving commodity prices even higher. A Chinese scholar warned that radical urbanization might harm farmers' welfare and create "urban slums." All the while representatives of 46 cities that boast the best sceneries in China gathered to launch an alliance to boost exchanges and cooperate more on promotion and marketing. At regional front, Maritime police authorities in Shanghai and the eastern China provinces of Jiangsu and Zhejiang have launched a joint anti-terror exercise in the run-up to the Shanghai World Expo.

Hong Kong & Macau:

Hong Kong seems to be heading towards democracy and economic growth. At economic front decline in Hong Kong's stock exchange, drop in jobless rate and improvement in its exports has been observed. Meanwhile Macao has enhanced ties with Taiwan.