

Report # 113
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 27 March to 2 April 2010 as have been collected by interns.

TURKEY

Political Front:

Ruling party AKP has sent amendments draft to parliament for voting. The draft proposes 26 amendments in the constitution. Ruling party needs support of 330 deputies to get the resolution passed in favor of constitutional amendments. Though it has 336 members yet some of them would probable oppose the amendments; AKP therefore needs to convince some of the opposition members to vote in favor of the draft. In the meantime, PM has also claimed that in case of parliament's rejection of the amendment package, ruling party would take this to public for referendum; as these amendments would not only lead Turkey toward real and strong democracy but would also help her join EU. On the other hand two leading opposition parties namely CHP and MHP have launched an active campaign against the constitutional amendments introduced by the ruling party. An open survey however indicates that most of the people have condemned opposition parties for instantly rejecting amendment package.

An Istanbul court has released nine military officers, including three admirals, who have been charged in an alleged plot to overthrow the government. Besides that Turkish counterterrorism teams have detained 22 suspected members of al-Qaeda in simultaneous operations conducted in three provinces namely Aksaray, Manisa and the Şereflikoçhisar district of Ankara.

Geo-strategic Front:

Turkey strongly condemned terrorist attacks in Moscow. Meanwhile both Turkey and Russia have discussed cooperation in the field of security. Irish President's visit to Turkey has further boosted their historical ties. Growing Syrian cooperation with Turkey also remained potent. In the meantime Turkish President paid visit to Pakistan and stressed on the need to enhance collaboration with Pakistan in various sectors. Turkey also sent humanitarian aid to Pakistan as well as to Haiti earthquake victims. All the while German Chancellor expressed her willingness to enhance cooperation with Turkey mainly in energy sector. At the same time Angela Merkel has urged Turkey to vote in favor of US and EU at UNSC over the issue of Iranian nuclear program. Turkey has strongly condemned France and Germany for supplying arms to Greece. Turkey has also condemned Israel for considering united Jerusalem as their capital. As far as Turkish bid for EU is concerned Cyprus issue has been regarded as quite significant hence its resolution seems to be important for Turkish joining of the EU. Lastly, US Secretary of Hillary Clinton has assured Turkey that resolution regarding Armenian genocide would

not be approved in the White House. Besides that a recent survey indicated that only one third of Armenians support reconciliation with Turkey.

Economic Front:

An increase in China's scrap iron imports has pushed up prices in Turkey from TL 800 per ton to TL 1,300. Exports from Turkey dropped 0.8 percent to 16.1 billion USD in the first two months of 2010, whereas imports were up 26.2 percent to 23.1 billion USD. Hence Turkey's foreign trade deficit rose 242.4 percent in the first two months of 2010 to 6.9 billion USD. Smoking ban in Turkey has led to a 15 percent drop in cigarette sales since its implementation. Turkey has refused to sign deal with IMF over some political issues.

Social Front:

A head scarved woman has recently been denied entry to a toy museum in Ankara. While appreciating Gulen Movement; Rice University Professor called it as a supranational civil society movement. Thousands in Turkey turned off lights and appliances for an hour from 8:30 p.m. in a gesture to highlight environmental concerns and to call for a binding pact to cut greenhouse gas emissions.

Face book users have been rapidly increasing in the whole world. Number of users in Turkey has crossed 20mln. Besides that heavy snowfall in Eastern provinces of Turkey, various arrests over the issue of match-fixing and growing number of suicides in Turkey remained important issues at Turkish social front.

GCC

Political Front:

Kuwait's government has condemned statements that it had struck deals with some lawmakers to support the information minister in a no-confidence vote and declared such allegations to be baseless.

Geo-strategic Front:

Yemen has asked its neighboring Gulf countries to provide jobs to skilled and semi-skilled Yemenis along with the regular aid and assistance. Pakistan has welcomed Saudi mediation for the restoration of meaningful composite dialogue with India. All the while Saudi King has recently called for dialogue among religions. Bahrain and Thailand have agreed to bolster their cooperation on food security, Islamic finance, education, culture and construction. In the meantime Bahrain has contributed \$1 million to recovery efforts in Haiti. Oman has expressed interest in buying Aircrafts from UK.

Economic Front:

Yemeni imports from Pakistan have reached USD 200 million during the past year. Saudi stocks rose to the highest since 2008. The government of Saudi Arabia has decided to pay the difference of the customs fees applied under the Gulf Cooperation Council unified customs tariff on 180 major food items and construction materials to help curb inflation in the Kingdom that reportedly surged to a 27-year high of 8.7% in February. Qatar has offered to invest \$1 billion (Dh3.67 billion) in France's heavily indebted CMA CGM, the world's third-biggest shipping group.

Social Front:

Around 30 prisoners escaped after a bomb explosion at a prison in southern Yemen. Two men and two women were killed when their car veered into a roadside farm after being allegedly chased by the Commission for the Promotion of Virtue and Prevention of Vice in Al-Khalil area in Medina. Meanwhile Number of Nepali laborers in Saudi Arabia has been growing. A municipal council in Bahrain has urged to close restaurants and cafés at mid night. This would probably increase strain among liberals and conservatives. Kuwait's information ministry has pledged a zero-tolerance policy towards satellite channels that broadcast programs that could "erode national unity or undermine social cohesion. Kuwaiti media criticized the participation of three Kuwaiti athletes in an international track meet where Israelis also participated. Oman has imposed fines against people smoking in public gatherings.

IRAN

Political Front:

Strain between Iranian President and his opponent and former President Rafsanjani has been quite visible since Iranian elections of 2009. All the while stance of Supreme leader in this regard, seems to be quite vague. He sometimes openly supports Ahmedinejad; however at times he warns President not to overstep his Presidential powers. Iranian judiciary has claimed that post election situation has made the country more strong as people have successfully fought against anti-Republic plots. Reports have indicated that one of the Iranian nuclear scientists who got disappeared after performing Hajj last year, has been found in USA working for CIA.

Geo-strategic Front:

Tehran has rejected a statement by the Arab League repeating the UAE ownership claims over the three Iranian islands in the Persian Gulf. President Mahmud Ahmedinejad has suggested the head of the organization of the Islamic conference to appoint a woman as his deputy. Russia has reiterated its stance regarding Iranian nuclear program and called negotiations to be the only appropriate way to resolve the issue.

Economic Front:

Iranian Vice President said that his country has witnessed 8% growth in industry in one year. Iran's Guardian Council has approved the budget for the next Iranian year which allows the Iranian president to go ahead with his plan to cut costly state subsidies. Iran and Bahrain have discussed ways to promote cooperation in oil and gas sectors. Iran Agricultural Jihad Ministry and Japan International Cooperation Agency (JICA) signed an agreement to implement two new projects in Iran.

Social Front:

Iran's Navy has sent 7th vessel to the Gulf of Aden to fight pirates and protect the country's shipping lines from piracy. In a letter to Foreign Minister Iranian students from eight main universities in Tehran urged Iranian diplomatic authorities to swiftly cut ties with Sweden until Swedish officials apologize for republishing a sacrilegious cartoon of Prophet Muhammad (PBUH), by one of their newspaper.

CENTRAL ASIA

Political Front:

Leaders of Kazakhstan's Communist Party and the United Social Democratic Azat (Free) Party have issued a joint statement demanding the release of a jailed activist. Meanwhile several Kazakh activists have been detained in Almaty while campaigning for the release of jailed former uranium company head. Kyrgyz President has declared Western democratic system to be unsuitable for his country. Tajik President has appointed eight members for the Parliament's upper house. A new criminal procedure code of Tajikistan has come into effect this week; that increases power of judicial courts.

Geo-strategic Front:

Amidst growing strain between Azerbaijan and Armenia; a former military leader of the disputed region of Nagorno-Karabakh has recently warned of the growing threat of another Armenian-Azerbaijani war. Deputy Foreign Minister of Russia also discussed Nagorno-Karabakh issue with EU representatives at Brussels. All the while Foreign Ministers of Russia, Azerbaijan and Armenia also discussed the same issue. Meanwhile Disarmament Program Manager of the US State Department, has recently paid visit to Azerbaijan and held meeting with higher officials. Exchange of fire has been observed at Uzbek-Kyrgyz border. Kyrgyz Parliament has signed MoU with British Parliament. Tajik President has paid visit to Singapore and Brunei in order to enhance ties. UN Secretary General has recently arrived Turkmenistan during his visit to Central Asian Republics. Russian Vice Premier has recently paid visit to Uzbekistan.

Economic Front:

Nabucco Managing Director has announced its readiness to start pipeline construction in 2011. Kyrgyzstan has started taking measures to improve conditions for the business community.

Social Front:

Azerbaijani officials announced that foreign companies have invested some \$5 million in the construction of a major film complex in Baku. All the while Jailed Azerbaijani blogger Emin Milli has been offered a place in a prestigious British fellowship program designed for future leaders. The German automaker Daimler AG has agreed to pay a \$185 million fine to the U.S. Securities and Exchange Commission (SEC) over allegations that bribes were paid to secure business in a number of countries, including Russia, Turkmenistan, Romania, Bulgaria, and Latvia. Kazakh journalists have urged authorities to explain their criteria for defining "destructive" websites. Global Pulse 2010 has given an opportunity to all interested residents of Tajikistan may participate in an innovative, online brainstorming discussion. Lastly, On March 25, 2010 the United Nations (UN) Human Rights Committee (Committee) adopted its final observations and recommendations after considering third periodic report of Uzbek government.

ASIA

Political Front:

Bangladeshi Prime Minister has directed the ministries and other departments to implement quota facilities for the disabled persons in government services. BNP chairperson and Leader of the Opposition has decided to launch anti-government agitation programs by May after completing her ongoing political tours in the divisional headquarters. Maldivian President has warned to take legal action against anyone committing unlawful activity. He further added that freedom of expression can not be used as an excuse to commit crimes. Nepali PM denied rumors regarding his resignation and blamed Maoists for their non-seriousness regarding ongoing political crisis in the country. Former Nepali Foreign Minister has blamed India and US for their involvement in nine years old palace carnage. Nepali Maoists have demanded Rs. 2 mln for each militia joining politics. Leader of the parliamentary party of the Nepali Congress (NC), said that his party would support the Maoist bid to return to power 'if they gave up violence and disbanded the Maoist army'. Along with the issue of integration of Maoists in Nepali Army; concerns regarding the issue of federalism and secularism also prevail in Nepal. Sri Lanka President has warned his former military commander General from entering into politics. Srilankan President has paid his first visit to Tamils Heartland after re-election. Sri Lanka's main opposition, UNP candidate for the Colombo District and former journalist Susil Kindelpitiya has been arrested on a complaint lodged by a woman who claimed that she was abused and threatened by him. Sri Lanka's Democratic National Alliance (DNA) has initiated discussions on an "unofficial" level with other opposition parties over the possibility of forming a national reconciliation government after the April 8 general election. A team of sixteen observers from Japan, Bangladesh, Malaysia, Indonesia, Afghanistan and Thailand representing Asian Network for Free Election would monitor Srilankan elections on a request made by the election watchdog.

Geo-strategic Front:

India has proposed to Bangladesh the setting up of a liquefied natural gas (LNG) terminal in a joint venture (JV). Bhutanese PM held bilateral discussions with his Nepali counterpart while visiting Nepal. Among various issues they also focused on the critical issue of Bhutanese refugees. India has provided an assistance of Rs 11.1 million for constructing a new school building and another Rs 2.19 million for a primary health centre in Nepal. All the while British Department of International Development (DFID) funded Nepal with 961,822 Euro (some US\$1.5 million) for procuring voter registration equipment. Sri Lanka has questioned the double standards of the United Nations by attempting to set up an expert panel on Sri Lanka within nine months whereas it took nine years for the organization to set up a probe commission to investigate Britain's involvement in Iraq. Srilanka has requested India to help her in construction of a 500 MW coal-based power plant.

Economic Front:

Economist claimed that an unusual hike in land prices, the culture of default loan with banks and massive tax evasion has widened the rich-poor gap in Bangladesh. Bangladesh has expressed readiness to give duty free access to 18 Bhutanese products. International donors mainly; Japan, US, EU and IMF, have pledged 313 million dollars in aid to the Maldives to help its recovery from last year's financial crisis. Despite identification and diagnosis of growth constraints and availability of required financing, political deadlock

has stalled the implementation of poverty, health, and environment-related development programs in Nepal. Sri Lanka's economy expanded at the fastest pace in five quarters as the government stepped up spending on new roads and ports after the end of a quarter-century of civil war in the country.

Social Front:

Bangladesh has lifted a ban on a photo exhibition on extrajudicial killings linked to security forces following protests from local and international rights groups. Farmers, women and students staged weekend protests against power cuts disrupting industry and households in Bangladesh. Government blamed its predecessors for power shortage and claimed that it would take time to meet energy needs. All the while government has barred use of air conditioners from 6 pm to 11 pm daily until further notice for all residences, private and public offices, businesses and shops. An international rights group has accused Bangladesh of 'violating human rights' in its crackdown on the unregistered refugees mainly Rohingyas Muslims. All South Asian countries observed Global Earth Hour last week in order to extend support to the WWF climate change campaign. National Human Rights Commission (NHRC) has accused Nepal Army for using excessive force that caused death of two women and a 12-year old girl inside Badriya National Park four weeks ago. Poverty, shortage of food and various diseases can be regarded as potent social issues being faced by Nepal. The wife of Sri Lanka's detained ex-army chief accused authorities of preventing her husband from receiving vital medical treatment and said he could die in custody.

INDIA

Political Front:

Strain has further exacerbated between Congress and BJP because of Congress' criticism on BJP's involvement in 2002 Gujarat massacre and Modi's hesitation to face Special Investigation team. As far as Maoist insurgency is concerned Home Minister P Chidambaram has said India would be able to counter the Maoist insurgency by 2013.

Geo-strategic Front:

India has successfully tested nuclear-capable, ship-based Dhanush and surface-to-surface Prithvi-II.

India and the United States have agreed to the arrangement and procedures under which the reprocessing of spent nuclear fuel would take place at two stand-alone safeguarded sites. New Delhi also retains the right to make additions and modifications. This would allow India to retrieve recyclable material found in spent fuel from U.S.-origin nuclear plants for further generating electricity. The reprocessing plants, however, would operate under International Atomic Energy Agency (IAEA) procedures. India has been concentrating on its military presence in the northern borders in order to counter Chinese perceived threat. The US has warned India and Pakistan to avoid any discussions with Iran over the issue of IPI pipeline.

Economic Front:

Marked improvement has been observed in Indian Stock Exchange. Meanwhile India's merchandise exports grew 34.8 percent to \$16.09 billion for the fourth consecutive month in February.

Social Front:

Against the backdrop of racial attacks and stricter immigration rules, Indian students' enrolment in universities in Australia's Victorian state has recorded a massive drop of around 40% in the first two months of the new academic year as compared to the same period in 2009. To fulfill international requirement India has started working on the mechanism to count its population. Hindu-Muslim riots in the city of Hyderabad led government to impose curfew over there.

KOREA

Political Front:

The main opposition Democratic Party (DP) of South Korea urged President to dismiss Defense Minister and Chief of Naval Operations over the sinking of the Cheonan patrol ship near the inter-Korean sea border last week. Defense Minister however claimed that torpedo could be the cause of sinking of naval ship.

Geo-strategic Front:

North Korea accused the United States and South Korea for allowing tourists and journalists into the heavily armed buffer zone that has divided the Korean Peninsula. In the meantime USA has again asked North Korea to resume six party talks in order to resolve nuclear issue. A U.S. Navy group of four ships has joined South Korea's rescue and recovery operations for its sunken frigate, the Cheonan. South Korean President reiterated its claims over islets of Dokdo in East Sea where Japan also has claims.

Economic Front:

The leaders of five members of the G-20 Steering Group including South Korea urged G-20 member nations to carry out the agreements reached at the past meeting in order to reform the global financial regulatory framework and create post-crisis measures. Sinking of South Korean naval ship also affected shares of the country negatively. All the while South Korean exports increased in March as compared to the last year but fell as compared to February this year.

Social front:

The Korea Meteorological Administration (KMA) has opened a center for the nation's third climate supercomputer in a move to become the world's sixth most advanced country in weather forecasting by 2012. Involvement of a large number of school teachers and headmasters in corruption poses serious social challenge to South Korea. The Ministry of Labor has decided to slash the quota of H-2 working visas for ethnic Koreans to zero this year. Chinese and Russians would be the main sufferers.

JAPAN

Political Front:

A candidate supporting the Democratic Party of Japan has been elected as president of the Japan Medical Association, defeating the incumbent supporting the Liberal Democratic Party. Representatives of the two junior partners in the Democratic Party of Japan -led coalition has asked the government to rule out a plan to move U.S. Marine Corps Air Station Futenma in Okinawa; hence the government has started looking for an alternative. Meanwhile discussion over the issue has been held by Japanese officials with the US officials. US Defense Secretary has asked Japanese officials to get local consent on an area where Futenma has to be relocated.

Geo-strategic Front:

The 2010 East Asian Strategic Review by the National Institute for Defense Studies has stressed that the U.S. forces should be permanently forward-deployed in Japan in order to enhance strategic partnership between the two. Japan and Poland have signed a memorandum to promote cooperation in the civil use of atomic power.

Economic Front:

Confidence at Japanese companies has improved for the fourth straight quarter. Toyota has promised to respond faster to customer complaints as it held its first meeting of a quality experts committee set up to help salvage a reputation battered by massive recalls and reports of runaway vehicles.

Social Front:

Japan's first antismoking ordinance took effect in Kanagawa Prefecture, banning smoking in public facilities, including hospitals, schools and government offices. UN has urged Japan to avoid racism and protect minorities' rights.