

Report # 116

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Turkey, GCC, Iran, Afghanistan, Central Asia, East Asia, South Asia

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Weekly Report from 17 April to 23 April 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; Turkey, GCC, Iran, Afghanistan, Central Asia, East Asia & South Asia from 17 April to 23 April 2010 as have been collected by interns.

TURKEY

Political Front:

Turkish PM held meeting with most prominent Turkish writers in order to get their opinion regarding amendment package. Meanwhile NGOs have extended their support for the package. Dervis Eroglu has won the elections in Turkish Cyprus by getting 50.38 percent votes.

Geo-strategic front:

A recent survey has indicated that 79% of Turkish population has unfavourable opinion for the US. Armenia has stopped the ratification Process of the Protocols which were held between Armenia and Turkey to normalize their relations. Turkish Foreign Minister has paid visit to Iraq in order to assess post election situation over there and asked all political parties to form a unity government. Serbia, Spain and Turkey held a meeting in Belgrade in which they share common vision to integrate the Western Balkans States into the European Union. Israel has decided to cut off arms sale to Turkey amidst their strained ties. Turkey has signed MoU with China meanwhile has also discussed areas of economic cooperation with Russia.

Economic Front:

Despite the fact that Turkey has successfully come out of the impact of global economic crisis yet high unemployment rate and inflation can be regarded as major problems; being faced by Turkey. Turkish Petroleum Corporation (TPAO) has invested four billion USD for oil exploration in Black Sea.

GCC

Geo-strategic Front:

GCC Secretary General held meeting with Russian Deputy Foreign Minister during his visit to Moscow and discussed various areas of cooperation. He further discussed Iranian nuclear issue during meeting and reiterated his opposition to military option regarding Iran. Meanwhile Saudi King paid visit to Bahrain and emphasized greatly on the need to enhance bilateral ties. Iran has called on the United Arab Emirates to resolve the "misunderstanding" over the three Gulf islands through dialogue. Foreign Minister of

UAE however claimed that "an occupation of an Arab land is an occupation and not a misunderstanding and there is no difference between Israel's occupation of the Golan (Heights), south Lebanon, West Bank or Gaza and the Iranian occupation of the UAE islands." Iranian spokesman however claimed that Iran has always strived for enhancing solidarity among Islamic countries to confront Israel. France and Kuwait have opened the way for joint nuclear energy projects in the Gulf country. Oman and Iran have expressed keenness to further boost their deep-rooted historical ties. Meanwhile Bahrainian Deputy PM also held meeting with Iranian Vice President.

Economic Front:

The combined economy of the oil-rich GCC states grew 5.5 percent last year. The collective gross domestic product (GDP) of the region has crossed the barrier of a trillion dollars in 2008, reached \$ 1,086bn at the close of last year, according to the annual report of the Gulf Organization for Industrial Consultancy (GOIC). Qatar stood second in 2009 in the entire GCC region in terms of the size of investment in industrial projects, accounting for 11.5 percent in the total.

IRAN

Geo-strategic Front:

Iranian authorities have deported some 15 illegal Pakistani immigrants and handed them over to the Taftan administration. The US has expressed satisfaction over significant progress in negotiations on new sanctions against Iran over its nuclear program. All the while Iranian envoy to IAEA has claimed that his country would allow the International Atomic Energy Agency (IAEA) to inspect its new enrichment site in Natanz in central Iran. The massive war games conducted by the Islamic Revolution Guards Corps (IRGC) in the Persian Gulf showed that any enemy threats against the country will be reciprocated by Iran's powerful response. Meanwhile a senior official of the Islamic Revolution Guards Corps (IRGC) has underlined the significance of a strong and powerful Iran for ensuring security and stability in the strategic Persian Gulf. An Israeli Deputy Minister has claimed that an Iranian nuclear scientist has asked for asylum in Israel. White House has expressed deep concern about the well-being of three American hikers who have been detained in Iran for nearly nine months.

Economic Front:

Iran's self sufficiency in oil exploration has enabled her to bear sanctions. Iran has granted a \$ 105 million loan to Sri Lanka for a rural electrification project. Iran and Uganda have signed three cooperation deals during President Mahmoud Ahmedinejad's visit to the country. Iran mainly exports technical and engineering services to Kazakhstan. One of the managers of a Chinese company has declared Iran to be an open market for investment.

Social Front:

Iran has granted immunity from prosecution to more than one hundred members of the Jundallah terrorist group.

AFGHANISTAN

Political Front:

At least 29 militants, including two commanders, got killed in four days of intense fighting aimed at protecting supply routes through northern Afghanistan. NATO forces shot dead four Afghan school students but called them to be Taliban militants. Later on, NATO apologized for killing unarmed Afghans. Three Italian aid workers who were arrested a week ago got freed this week. Residents of Southern Helmand have regarded it as wrong decision. Taliban have started regular targeting of U.S. government contractors in southern Afghanistan. Afghanistan has started registering thousands of candidates for the country's parliamentary elections set to be held on September 18.

Geo-strategic Front:

The Pentagon has started putting efforts to halt fertilizer shipments from Pakistan that are used to make bombs. In a recently held poll majority of UK citizens have supported withdrawal of military troops from Afghanistan. New data from the US government has indicated that the number of American contractors killed in Afghanistan has increased by more than 100 percent.

Economic Front:

A newly-constructed textile factory, funded by the US, was inaugurated in Jalalabad. Afghan business community has expressed high hopes regarding government's anti-corruption measures, foreign investments and marble industry.

Social front:

Heavy rains and flood destroyed hundreds of houses in Northern Afghanistan. A moderate earthquake in Central and northern Afghanistan caused death of at least seven people. Nineteen development schemes, benefiting thousands of residents, have been executed in northern Jawzjan province. US funded schools and wards have been working in Afghanistan.

CENTRAL ASIA

Political Front:

An Azerbaijani opposition party has requested permission from Baku city authorities to stage a protest in the city on April 25. Another party has demanded amendments to the election code, official observance of the right to free assembly, and transparency in ongoing talks on resolving the Nagorno-Karabakh conflict. Interim authorities in Kyrgyzstan declared legitimacy and hoped for the end of conflict following the resignation and departure from the country of former President Bakiev. Kyrgyzstan's interim government has so far uncovered more than \$20 million in cash and gold belonging to ousted President Bakiev and members of his family in Kyrgyz banks. Meanwhile interim government has announced to hold elections in October, after a referendum aimed at reducing the powers of the president. Ousted President claimed that he would not like to be the country's President any more but would offer his services for the stability of Kyrgyzstan. On the other hand the newly appointed chairwoman of Kyrgyzstan's Central Election Commission has stepped down after just one day on the job amidst strong protests by common people.

Geo-strategic Front:

The Azerbaijani Defense Ministry has canceled military computer exercises with U.S. forces that were scheduled for May. Azerbaijan-Russia working group on delimitation of the state borders have reached an agreement during recently held talks. Pakistan has supported Azerbaijan's sovereignty and territorial integrity and denied Armenian position. The Kazakh Interior Ministry has tightened regulations for visitors from countries in the Commonwealth of Independent States (CIS). Tajik official has urged the need of demarcation of Kyrgyz-Tajik border. Turkmen President has received Special Representative of the UK on international trade and investment. President of Turkmenistan and President of the Islamic Republic of Iran held a telephone conversation on April 16. Authorities in the eastern Uzbek city of Andijon have imposed stringent security measures on residents in the aftermath of last week's uprising that ousted Kyrgyz President Bakiev.

Economic Front:

Israel has doubled its trade with Azerbaijan unlike other Central Asian Republics. The largest outdoor market in the Kyrgyz capital, Bishkek, got closed due to disorder in the city's outskirts. Uzbekistan's GDP has grown 7.6% in First Quarter 2010.

Social Front:

The European Court of Human Rights (ECHR) has asked Azeri authorities to release detained Journalist. Kazakhstan's population has exceeded 16 million people. Human Rights Watch has urged the interim authorities in Kyrgyzstan to open a probe into this month's violence that led to the ouster of President Bakiev. The Food Security Monitoring System of the World Food Program (WFP) has reported that overall food insecurity has slightly worsened in the first quarter of 2010, leaving over one-third of the rural population in Tajikistan food-insecure. The Ministry of Economy and Development and the Ministry of Communications of Turkmenistan have been instructed to create a unified system to introduce information and communication technologies into public administration.

EAST ASIA

Political Front:

Regular elections in Indonesia have led many scholars to call it a model democracy in East Asia. Malaysian government has built high expectations with bi-elections in Hulu Selangor as the election result would be a referendum about Prime Minister's economic policies. MILF has promised to avoid violence in Southern part of Philippines during upcoming elections. Anti-regime protests continued for fifth week putting enormous pressure on the PM of Thailand.

Geo-strategic Front:

Indonesia has offered to assist Thailand in resolving ongoing political turmoil there. Military ties between the US and Vietnam have grown remarkably during post Cold War period. Cambodian troops have withdrawn from disputed border of Thailand after exchange of fire between troops of both sides.

Economic Front:

Indonesian government has started thinking to limit the inflow of foreign capital as it might cause a domestic stock bubble in a market dominated by overseas buyers. Political crisis in Thailand has not created an adverse impact on its economic ties with Malaysia. Meanwhile Malaysian economists have predicted high economic growth this year. Despite political issues Thai exports have grown remarkably. Cambodia has observed 4% growth in agriculture due to favorable rain. Vietnam has started making various products in order to avoid reliance on other countries. Extensive tourism in Laos has caused 5% growth in country's GDP.

Social Front:

A security think tank has asked Indonesian government to remain vigilant against extreme militants. Thailand has expressed serious concern regarding Muslims' uprising in Southern region. Malaria has been regarded as key health issue in Cambodia however people of Laos feel insecure because of increasing number of road accidents in the country.

SOUTH ASIA

Political Front:

Nine members of Bangladesh's main opposition party have died and 30 others were injured when their speeding bus collided head-on with a truck on the way to a political rally. Prime Minister Sheikh Hasina has been cleared of another graft case filed during the past BNP regime. Political parties have failed to build consensus over a constitution to run Nepal. Veteran politician Dissanayake Mudiyanalage Jayaratne took the oath of office as Sri Lanka's 20th prime minister on 21st April after the ruling party won a large parliamentary majority.

Geo-strategic Front:

The ambassador of United States has urged India and Bangladesh to build close ties. The Bangladesh High Commission (HC) in Islamabad on Sunday celebrated the Bangla New Year – 1417.

Economic Front:

Indian restrictions on cotton exports would probably affect Bangladeshi textile industry. Inflation has further increased in Bangladesh mainly due to increase in prices of food items. Improvement in Maldives' economy has been observed.

Social Front:

Eighty-two tourists from Europe have so far cancelled their trip to Bhutan after Iceland's volcano eruption disrupting air traffic and forcing thousands of airlines to cancel their flights. Maldivian President has won a top environmental prize from the United Nations.