

## **Report # 118**

### **BUSINESS AND POLITICS IN THE MUSLIM WORLD**

**Turkey, GCC, Fertile Crescent, Iran, Central Asia, East Asia, South Asia, India,**

**Japan & Korea**

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**Weekly Report from 1 May to 7 May 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, Central Asia, East Asia, South Asia & India, Japan & Korea from 1 May to 7 May 2010 as have been collected by interns.

#### **TURKEY**

##### **Political Front:**

Ruling regime has expressed optimism about getting 330 to 367 votes from Turkish Parliament regarding constitutional reform package.

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

Turkey has expressed serious concern about post election scenario in Iraq. Turkish continuous criticism of Israel has further deteriorated relation of the two countries. Turkey has signed NATO agreement with the air traffic exchange data with Ukraine. President of Uganda paid visit to Turkey in order to enhance economic relation between the two states. The newly elected Turkish Cypriot leader has expressed keenness to resume peace talks about reunification of the divided island.

##### **Economic Front:**

Turkey expects 5.5% economic growth in the year 2010. Meanwhile inflation has further increased both in consumer and producer prices. Turkish growing economic ties with Syria, Botswana and Germany also grabbed attention.

##### **Social Front:**

Temperature has increased in western provinces however heavy rainfall and snow has been forecasted in the eastern provinces of Turkey. Besides that Turkish government has announced to celebrate Europe Day on 9<sup>th</sup> May with great pomp and show.

#### **GCC**

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

11th consultative session of GCC Interior Ministers was held in Kuwait. During session GCC Ministers appreciated Saudi successful efforts to defend their land and people at Yemeni border against rebels. They further hailed the efforts of UAE security forces for their successful investigation of the assassination of Palestinian Hamas leader Mahmoud Al-Mabhouh, and the pursuit of those responsible, who breached international laws and conventions. Ministers also discussed a whole range of security issues currently

confronting the Gulf region, as well as plans and policies to tackle terror cells, drug traffickers, pirates and swindlers. Palestinian President Mahmoud Abbas held talks with Saudi King over regional affairs. Meanwhile Saudi Foreign Minister during his visit to Egypt discussed prospects of Middle East peace process with Egyptian President. While addressing the General Debate of the 2010 Review Conference of the Non-Proliferation of Nuclear Weapons Treaty, UAE foreign Minister claimed that every state has got the right to use nuclear energy for peaceful purposes in a responsible manner. Besides all that growing UAE-Morocco relations also remained significant.

### **Economic Front:**

The Kuwait Energy Company has discovered an oil field in Ras Qattarah block in the Egyptian Western desert; the discovery is the seventh of its kind. Omani-Qatari Joint Business Council held its third meeting in Doha and discussed various areas of joint cooperation between the two countries. Bahrain expects an economic growth of 4% in the year 2010. Bahrain has started issuing bonds as an income source.

### **Social front:**

The Ministry of Labor in Kuwait has implemented new mechanism to solve workers' complaints and problems by introducing disputes settlement system. In accordance with the system Disputes and complaints would be examined and solved within three days from the date of being lodged and registered at the Labor Relations Department.

## **FERTILE CRESCENT**

### **Political front:**

The Egyptian Movement for Change (Kefaya) has called on citizens to pursue a policy of civil disobedience as a means of resistance. Kefaya also urged Egyptians to boycott all elections, starting with the Shura Council election due to be held in June to elect members of the Upper House of Parliament. Meanwhile submission of Candidacy applications for the mid-term Shura Council elections has started. Egyptian PM has called the wave of demonstrations that has recently swept the Egyptian street to be a new way for citizens to express their demands and has no political dimension. The recount of Baghdad votes, begun on Monday, is being monitored by EU and UN observers. However Iraq's election commission has already begun manually recounting around 2.5 million ballots cast in Baghdad during the country's parliamentary election almost two months ago. The political bloc of Nouri al-Maliki, the incumbent Iraqi prime minister, has joined hand with its main Shia rival, the Iraqi National Alliance (INA), leaving the newly-formed coalition just four seats short of a parliamentary majority. Rival politicians in Lebanon had set their differences aside and reached a consensus in many areas as municipal elections began.

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

Egypt and Sudan have refused to sign the agreement on the sharing of the Nile waters. However Uganda and the rest of the Nile Basin countries have expressed readiness to sign the protocol called the Co-operative Framework Agreement. Iran has agreed to ship 1.5 million liters of fuel to breathe life into some Iraqi power plants. The Professional Associations Complex in Jordan has started putting effort to hold campaign to ensure that

the Jordanian markets do not carry any Israeli products. The Israeli Authorities deported a Palestinian resident of the West Bank to Jordan after the army claimed he was illegally staying in the country. The U.S. President, Barrack Obama, has given Israel verbal and written guarantees that the United States would not allow the Palestinians to conduct any unilateral steps during indirect talks, or in the case of failure of such talks. The sources did not mention any guarantees that would prohibit Israel from continuing its unilateral measures especially settlement activities and its illegal policies in occupied East Jerusalem. The Palestinian Librations Organization Executive Committee has decided to hold convene meeting in order to discuss plan of resuming indirect talks with Israel mediated by Washington.

### **Economic Front:**

The survey of 14 economists predicted that gross domestic product (GDP) of Egypt would have grown by 4.7 percent in the fiscal year that ends in 2 months time, ahead of other gulf nations, except region-leader Qatar.

### **Social front:**

The annual report produced by the US Commission on International Religious Freedom has strongly criticized Egypt over problems of discrimination, intolerance, and other human rights violations against members of religious minorities. Egypt's Communications Ministry has launched the first Internet domain name using Arabic letters to try to boost e-services and the number of people online in the most populous Arab nation. The issue of *Islam on line* still persists. IDPs and refugees have asked government of Iraq to facilitate process of their return. About one-third of Iraq's 1 million Christians have fled Iraq since the U.S.-led invasion in 2003.

## **IRAN**

### **Political Front:**

A large number of university students from all Iranian universities have called for the resignation of U.S. President Barrack Obama in protest to his recent atomic threats against Iran. Supreme National Security Council (SNSC) Undersecretary for International Affairs and Foreign Policy Ali Baqeri has strongly rejected the possibility for suspending Iran's peaceful nuclear activities.

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

A French court has turned down a U.S. request for the extradition of an Iranian engineer who has been accused of violating an export embargo by purchasing U.S. technology for military firms involved in Iran's nuclear program. Iran and Pakistan have agreed to coordinate their positions to support sustainable peace, stability and development in Afghanistan. Amid a U.S.-led drive to impose fresh sanctions on Iran, two powers of the UN Security Council, China and Russia, have also decided to discuss Iran's nuclear issue. Venezuelan President Hugo Chavez and President Mahmoud Ahmedinejad held discussion about Brazil's proposal on exchanging nuclear fuel.

### **Economic Front:**

Iranian gasoline imports have declined sharply this month. Meanwhile petrochemical exports have observed remarkable increase. Pakistan as well as EU has expressed keenness to enhance economic collaboration with Iran.

**Social Front:**

European delegations have appreciated Iranian successful fight against drugs.

**CENTRAL ASIA**

**Political Front:**

Three Kazakh parliament deputies have proposed giving President Nursultan Nazarbaev the official title "Leader of the Nation". Investigations have started against son of Kyrgyz ousted President over a corruption issue. Kyrgyz interim government has launched a criminal inquiry into firms supplying fuel to the U.S. air base in the Central Asian nation.

**Geo-strategic Front:**

New Russian top negotiator has recently paid visit to Armenia in order to discuss the issue of Nagorno-Karabakh. Azerbaijan and Israel have decided to hold political talks coming week. Turkey has reiterated commitment to support Azerbaijan over Nagorno-Karabakh issue. The Kazakh-Kyrgyz border remained closed despite talks via phone between Kyrgyz interim government head and Kazakh President. A Kazakh delegation to Washington has held a round of consultations dedicated to the Afghan issue. Kyrgyzstan's interim government has ordered prosecutors to seek the extradition of former President Bakiev. Iran has officially proposed introducing visa-free travel between Tajikistan and Iran however Tajikistan rejected the offer. China and Turkmenistan have held talks to enhance bilateral relation. Uzbek President held meeting with Chinese Finance Minister and discussed areas of cooperation.

**Economic Front:**

Turkey and Azerbaijan have reached an agreement for the price of natural gas on the European Union-backed Nabucco gas pipeline project. IMF has given positive assessment of socio-economic development of Turkmenistan.

**Social Front:**

Dozens of youths have been arrested in Baku as they attempted to mourn the victims of a mass killing at the State Oil Academy a year ago. Polio has emerged as a potent social issue in Tajikistan. Strong rains have caused floods that have killed at least 20 people in Southern Province of Tajikistan.

**EAST ASIA**

**Political Front:**

Malaysian government has made a plan to construct nuclear power plant for energy purpose in next 12 to 15 years. It however needs to get approval of IAEA. Aquino, the son of Philippines' former President has got 12 to 19 point lead in various polls regarding upcoming Presidential elections. Philippines' President's election lawyer has called for the May 10 elections to be postponed by calling it as the only remedy to prevent elections

from failure. Thai PM has announced to take effective measures to counter red-shirt protestors.

**Geo-strategic Front:**

China has announced to donate more than 250 trucks to Cambodia just weeks after the United States withheld a shipment of military vehicles in response to Cambodia's recent expulsion of 20 Uighur refugees.

**Economic Front:**

World Bank has appreciated extra-ordinary performance of Indonesian Finance Minister and named her to the post of Managing Director of the World Bank. Indonesia's exports have increased by 54 percent year-on-year during the first quarter, and 13 percent during March clearly indicating smooth economic recovery of the country. Indonesia's banking sector, comprising mainly small to mid-sized banks, has been increasingly attractive to foreign investors while domestic consolidation has been relatively slow. The Asian Development Bank's (ADB) Board of Directors has approved a \$100M concessional loan to rehabilitate one of Vietnam's oldest and largest irrigation and drainage systems located in the heart of the Red-Thai Binh river basin. Vietnam's economy has been "relatively stable" so far this year and the government intends to put efforts for the maintenance of stability as well as prevent inflation from accelerating to a very high level.

**Social Front:**

Palm oil producers from Malaysia have formed a coalition with their counterparts in Indonesia to counter intensified campaigns that blame the industry for rapid deforestation. Indonesian president has officially opened the 5th Indonesian Muslim Congress in East Jakarta.

**SOUTH ASIA**

**Political Front:**

A fierce clash between the activists of Bangladesh's ruling party Awami League and the main opposition party Bangladesh Nationalist Party (BNP) leaving one person dead and 200 injured. Maldives National Defense Force (MNDF) has claimed that no terrorist group has set up a training base in any part of the country. Maoists have finally launched general strike in capital city of Nepal and have asked PM to resign. Maoists have even injured four journalists despite their commitment to respect press freedom. Amidst enormous pressure coalition parties have also asked PM to resign in order to lessen tension. Sri Lanka's parliament has voted to scale back tough state of emergency laws that were first introduced 27 years ago to deal with separatist Tamil rebels. Srilankan President has urged the opposition in the country to be patriotic and back him for the sake of his country.

**Geo-strategic Front:**

Bangladesh authorities have handed over Ranjan Daimary, chief of the outlawed National Democratic Front of Bodoland (NDFB), to India where he is wanted for ordering bomb attacks. Meanwhile The cabinet has assigned two ministers and an adviser to the prime minister to scrutinize a memorandum of understanding (MoU) on import of electricity

from India which was signed between the two neighboring countries during Prime Minister Sheikh Hasina"s visit to India in January this year.

**Economic Front:**

The World Bank has approved \$292 million in loans to finance two infrastructure projects in Bangladesh. Constant increase in Bangladeshi exports has been observed showing economic recovery. Strikes have adversely affected tourist industry in Nepal hence has also affected country's economy. The International Monetary Fund urged the Sri Lankan government to speed up fiscal reforms and produce a more comprehensive deficit cutting plan if wants to get a multi-billion dollar loan back on track. The UN Economic and Social Commission has appreciated Srilanka's economic development. Meanwhile sharp increase in Srilankan shares has also been observed.

**Social front:**

Bangladesh has imposed a ban on the import of poultry from India due to reported cases of bird flu in the country. A local church has been helping to make the transition to America a little easier for 100 refugees from Bhutan. Maldives has expressed joy on having built one of the most advanced telecommunications systems in the region.

**INDIA**

**Political front:**

UPA government has expressed desire to restore caste-based census in order to implement Mandal commission recommendations for OBCs and minorities. Opposition parties however criticized the idea. Maoists have targeted government-run girl's school and also damaged railway-track in Northern Bihar. Hürriyet Leader, Syed Ali Gillani called a march to the office of the United Nations Military Observers Group in India and Pakistan to submit a memorandum, seeking U.N. intervention to grant the people of Kashmir the right to self-determination. In response to that government kept him and few other leaders under house arrest. This led common public to launch anti-government protests in streets of Kashmir. Meanwhile Ajmal Kasab has been given death sentence because of his involvement in Mumbai attacks.

At regional front BJP has agreed to pleas made by JMM leaders and let Shibu Soren continue as Chief Minister of Jharkhand for some more time, putting on hold a decision on the transfer of power for now. Leader of Trinamool Congress has announced to contest anti-Congress elections in West Bengal after holding Congress responsible for breaking their alliance.

**Geo-strategic Front:**

India and EU have started working on elimination of differences through negotiations in order to sign FTA later this year. A sharp decrease in the number of Pakistanis visiting India has been observed last year primarily because of 26/11. The radiation-related death of a scrap metal worker has raised concerns over nuclear safety in India. Authorities have launched a probe into the unauthorized disposal of a disused machine from the chemistry department of Delhi University, which contained the radioactive material cobalt-60 and ended up in a scrap metal hub in the capital.

### **Economic Front:**

In the year 2008-2009 Indian exports amounted to USD 185 billion. This year a slight decline can occur however economists hope have exports of \$170 billion. The CII Business Outlook Survey based on response from 458 companies said that India Inc expects the economy to grow by 7.5 to 8.5 per cent during the current fiscal fuelled mainly by rising capital investment and expanding exports. The industry optimism was also expressed in the Business Confidence Index that rose to 67.6 points for April-September 2010-11, compared to 66.1 points during the second half of 2009-10.

## **JAPAN**

### **Political Front:**

Backtracking on a prominent campaign pledge, Prime Minister Yukio Hatoyama has told angry residents of Okinawa that it was unrealistic to expect the United States to move its entire Marine Corps air base off the island. His delays and apparent flip-flopping on the issue have fed a growing feeling of disappointment in the prime minister's leadership, driving his approval ratings below 30 percent. Japan has restarted a costly fast-breeder nuclear reactor for the first time since it was shut down 14 years ago because of a major accident and cover-up.

### **Economic Front:**

Japanese economy has been growing smoothly as various known companies have witnessed increase in sale. Meanwhile fluctuation in stock exchange has been observed.

### **Social Front:**

The number of children under age 15 in Japan has fallen to 16.9 million, down 190,000 from a year earlier.

## **KOREA**

### **Political Front:**

South Korean President has been a popular figure among his people however recent incident of ship-sinking has brought his position in doubt.

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

China seems optimistic about North Korea's readiness to end their nuclear program in exchange for economic aid and better global standing. Chinese role has come under scrutiny since South Korea announced its decision to raise the issue of ship sinking at UN forum. South Korea has alleged North Korea in this case. South Korea has ruled out chances of holding nuclear talks with North Korea before resolving Ship-sinking issue. Meanwhile North Korean leader Kim has paid a visit to China to gather latter's support over ship-sinking issue.

### **Economic Front:**

Sales of South Korean Kia and Hyundai motors have increased remarkably. Meanwhile growth in South Korean stock exchange has also been noticed. Exports of South Korea have also observed marked growth.

**Social Front:**

Korean children and teenagers have been surveyed as the least happy or content with their lives among their peers in OECD member states mainly because of academic issues. Young female North Koreans have become a commodity in China, where they can be purchased at around \$1,500 per head.