

Report # 119

BUSINESS AND POLITICS IN THE MUSLIM WORLD

GCC, Fertile Crescent, Central Asia, East Asia, South Asia & India

Nadia Tasleem

Weekly Report from 8 May to 14 May 2010

Presentation: 19 May 2010

This report is based on the review of news items focusing on political, economic, social and geo-strategic developments in various regions namely; GCC, Fertile crescent, Central Asia, East Asia, South Asia & India from 8 May to 14 May 2010 as have been collected by interns.

GCC

Geo-strategic Front:

Top leaders of member states of the Gulf Cooperation Council started their 12th consultative summit meeting in Saudi Arabia. Main areas of focus remained Palestinian-Israeli peace talks, Iraqi elections and Iran's nuclear issue apart from general political, economic and security issues being faced by the member states. All the while Saudi Foreign Minister has reiterated the Arab stand to make the entire Middle East free from weapons of Mass Destruction at two-day China-Arab Cooperation Forum. He also reaffirmed the support of Saudi Arabia in solving the Iranian nuclear issue peacefully and guaranteeing the rights of all countries in the region to use nuclear energy for peaceful purposes. In the meantime Kuwait has also reiterated the right of all countries party to the Nuclear Non-Proliferation Treaty (NPT) to possess and develop nuclear technology for peaceful purposes, with no distinctions. Kuwait has also asked Israel to open its nuclear facilities to IAEA.

Economic Front:

Bahrain has advocated the peaceful use of nuclear energy to serve economic development. Despite the fact that strong crude prices would enable oil producing Gulf Countries to overcome impacts of economic crisis yet high-public spending could cause budget deficit. Growing Chinese economic ties with the Arab world also seem to be important. Meanwhile amendments to the US-Bahrain FTA have been approved by the Shura Council.

Social Front:

Qatar-based Islamic scholar Sheikh Yousuf al-Qaradawi has urged those European countries which are considering outlawing the full veil (niqab) to review their plans, saying that a wider ban on niqab might prompt some Muslims to campaign for imposing a "modest dress code" on foreigners living in Muslim countries. Floods in Jeddah have caused severe damage to lives and properties of people living there. Media has alleged corruption and declared it to be the main cause of poor infra-structure being badly affected by floods. Annual Reports released by UAE's National Committee to combat

Human Trafficking has clearly evinced remarkable performance of UAE in controlling this.

FERTILE CRESCENT

Political Front:

Egyptian Parliament has approved a two-year extension of an amended emergency law despite vociferous objections from opposition and independent MPs. Mohamed ElBaradei, the former head of the IAEA has issued a public call for political change in Egypt ahead of presidential elections planned for next year. He has also denied emergency law that bans gatherings critical of the government of Hosni Mubarak. Meanwhile Human Rights activists and opposition parties mainly Muslim Brotherhood have also condemned government's implementation of the emergency law. After March elections no government has been established in Iraq till now. Existing uncertainty has led jihadi groups to activate their activities. Meanwhile efforts of Shia parties to form government would marginalize Sunni minority hence would cause further chaos. Meanwhile recount of votes in Baghdad hasn't brought any remarkable change in over all election results. An estimated \$35 million was spent on election-related activities by different political parties in the run-up to the 2009 parliamentary election in Lebanon. Meanwhile a further \$32 million was spent on political advertising and media in the period from August 2008 and July 2009.

Geo-strategic Front:

Four African countries i.e. Rwanda, Ethiopia, Uganda and Tanzania have signed a new treaty on the equitable sharing of the Nile waters despite strong opposition from Egypt and Sudan who have the lion's share of the river waters. Israelis and Palestinians have finally started indirect talks.

Economic Front:

The UN FAO seems optimistic about wheat production in Iraq this year mainly because of suitable weather conditions.

Social Issues:

Egypt's National Telecommunication Regulatory Authority has announced to block Skype's voice over Internet protocol, via mobile phones. Cairo said Skype was violating Egyptian law by providing international calling outside the "approved gateways." Active participation of Lebanese women in local elections clearly indicate progress in the country.

CENTRAL ASIA

Political Front:

The top military commander in the breakaway Azerbaijani region of Nagorno-Karabakh has dismissed Azerbaijan's continuing threats to take back the disputed region by force. Kazakh lower and upper houses of Parliament have approved constitutional amendments, one after the other, granting President Nursultan Nazarbaev the status of "leader of the nation. Opposition however strongly condemned this major amendment giving supreme position to the President. Supporters of Kyrgyzstan's interim government have clashed

with supporters of ousted President Bakiev in the south of the country, where Bakiev loyalists have already occupied several regional government buildings. Meanwhile large numbers of protestors have launched demonstrations in the capital city and have demanded trial of the ousted President. Under enormous pressure, interim government has requested Latvian government to detain son of their ousted President Bakiev. Besides all that difference of opinion has emerged among the members of ruling regime over the issue of constitutional changes. Tajik President has reinstated the State Committee on Religious Affairs to oversee the country's religious organizations. The Turkmen parliament has approved a new edition of the country's Criminal Code that reduces the maximum sentence for the most serious crimes. Uzbek President Islam Karimov has signed a decree to abolish private notary offices in order to avoid criminal situations.

Geo-strategic Front:

The Kyrgyz-Kazakh border remains closed despite an agreement between the two countries' leaders to reopen it. The US has demanded greater transparency in the supply of aviation fuel to a key U.S. air base in Kyrgyzstan. Iran has offered to play the role of a mediator between Tajikistan and Uzbekistan. Turkmenistan has expressed keenness to enhance ties with CIS countries.

Economic Front:

Azerbaijan, Georgia and Romania have Signed Protocol on the Export of Liquefied natural gas to Europe. Azerbaijan has expressed keenness to implement Nabucco gas pipeline project as soon as possible. Kazakhstan has invited India to join its industrial program. China has lifted a ban on grain exports from Kazakhstan. Russian companies seem keen to start energy projects in Kazakh oil and gas sectors. Tajikistan and Pakistan have discussed ways to expand their bilateral economic and trade ties.

Social Front:

Floods in South eastern part of Azerbaijan have compelled large number of people to leave their homes. Floods in Tajikistan have caused death of more than 20 people. President has expressed serious concern to cope up with the issue. Tajik government has suspended ban on advertisement of mobile phones.

SOUTH ASIA

Political Front:

BNP led regime has been declared as main reason behind emergency rule that was imposed in Bangladesh in January 2007, by ruling regime. Maoists have resumed their hard-line approach over the issue of integration of Maoist cadres into Royal Army. They carried six days strike to mount pressure on the government but announced to end it after six days. Business communities have also asked ruling party and Maoist to end ongoing dispute hence they finally held talks. Amidst such pressure government seems unable to promulgate the new constitution by May 28. Meanwhile EU has asked Nepalese PM to quit the seat in order to restore stability.

Geo-strategic Front:

Saudi Arabian Airlines suspended all its flights from the Kingdom to Bangladesh last week. Bangladesh and South Korea have decided to hold a summit on May 18 to discuss bilateral economic cooperation. Foreign Minister of Maldives discussed bilateral ties as well as regional issues with Pakistani government during his visit to Pakistan. Minister of Home Affairs Mohamed has promised to allow International Criminal Police Organization (Interpol) officials to enter Maldives without visa. India and Nepal have signed two MoU that aim to enhance economic ties between the two countries. Srilankan President has urged the international community to be aware of the threats being faced by Srilanka at the hands of remnants of Tamil tigers.

Economic Front:

The Asian Development Bank (ADB) has devised a costly lending program for Bangladesh this year as it has increased its hard-term loans up from the softer ones in the revised aid scheme. Apart from beef, pork, chicken and fish, Bhutan also imports octopus meat, rabbit meat, prawn and crab from Thailand and India. Economic growth in Bhutan slowed sharply last year to six percent as tourist numbers fell. According to the World Bank's report Sri Lanka's economy expanded by 3.3% in the second half of 2009, the fastest rate recorded since 2002 showing stability despite a weak global economy.

Social Front:

Bangladesh has announced to send its first all-female contingent of police officers on a United Nations peacekeeping mission, to help with reconstruction in quake-devastated Haiti. Food shortage seems to be the most critical issue being faced by Nepal as it is suffering from food shortage of 3,16,465 metric tones, affecting over 1.6 million people this year.

INDIA

Political Front:

BJP national president Nitin Gadkari has strongly criticized the Congress-led UPA government for being soft on terrorists and their sympathizers because of vote bank politics. He also blamed UPA for price rise and increasing naxal insurgency in the country. He also condemned Samajwadi party for betraying opposition parties during cut-motions in the parliament. Recently made remarks by Environment Minister urging the need to lift restrictions over Chinese investments, have brought huge criticism against him mainly by opposition parties and to certain extent by Congress as well. The Election Commission of India (EC) has announced the poll schedule for the biennial election to 11 Rajya Sabha seats from Uttar Pradesh as eleven members of the Rajya Sabha from the state will retire on July 4.

Maoists have been killing police or security persons for quite long. 7 police jawans have been added to the deceased this week.

Geo-strategic Front:

During a recently held meeting in Tehran, Indian Deputy NSA has asked Iran to extend cooperation in order to bring stability in Afghanistan. They however remained quiet about security-related issues. Meanwhile The US administration has named India's oil and gas flagship ONGC and Indian Oil Corp (IOC) among the 41 firms worldwide

having energy ties with Iran, an act for which it may impose sanctions on them. Indian government has extended the ban on LTTE by another two years following intelligence reports that remnants of the Sri Lankan Tamil terror outfit were trying to re-group in Tamil Nadu. Bhabha Atomic Research Centre claimed an incident of minor radioactive contamination has been detected in one of its laboratories.

Economic Front:

Last week the Bombay Stock Exchange benchmark Sensex registered its biggest single day gain of 561 points in ten months after EU and IMF agreed on a 1 trillion dollar emergency fund for the Union to help contain the region's credit crisis.

Social Front:

Strong criticism by media and civil society against Darul Uloom Deoband's statement that women should not work with men; led Darul Uloom to withdraw from its stance. A faction of the Gujjars has warned to launch a fresh agitation against the one per cent additional quota offered to the community by the government, saying it was not ready to settle for anything less than the 5 per cent separate reservation. Increase in number of cases of honor killing has been observed in Punjab.

EAST ASIA

Political Front:

A group of militants has been arrested by Indonesian police during raids. Campaign for upcoming bi-elections of mainly urban and ethnic Chinese parliament seat of Sibu has started. Besides that Anwar Ibrahim's ongoing trial has increased tension between ruling regime and opposition party. Thai Prime Minister has put forward a plan to end the rallies that have crippled Bangkok but it remained in limbo as talks dragged on over the details, including a proposed early election in mid-November. Opposition Parties have agreed to accept government's plan but warned to continue their sit-in protest as until the government allows their satellite television to go back on the air and until key government leaders face charges related to bloody April 10 clashes in which 25 people were killed and more than 800 others wounded. Finally elections have been held in Philippines. More than 85,000 candidates have contested elections for 17,000 seats. Of a total of 76,340 voting machines used, only 350 (0.50%) failed as they broke during transportation. Meanwhile President-apparent Benigno Aquino III refused to take an oath of office before the new chief justice, alleging impropriety in the appointment by the outgoing president in the ending days of her term.

Geo-strategic Front:

The Cambodian government has recently signed treaty with China to enhance cooperation. Southeast Asian leaders have raised concerns about regional stability in the wake of Thailand's political crisis.

Economic Front:

Indonesia's economic growth has accelerated in the first quarter to its fastest pace since the third quarter of 2008. In the 2010 budget, government of Indonesia has allocated Rp 9 billion for modernization of old textile and leather machineries in Small and Medium

Enterprises (SMEs). The Indo-Indonesian trade has expanded by over 20 per cent in the first two months of 2010. Sino-Thai links have further enhanced. Economists hope to witness economic growth in post election scenario. Vietnam has announced to invest around US\$8.6 billion in island infrastructure to boost national defense and economic development on its remote ocean outposts.

Social Front:

Thai authorities have announced plan to cut water, electricity and food supplies to thousands of protesters occupying Bangkok's main shopping district for nearly six weeks. In recently held elections in Philippines nine people got killed. Despite that poverty and disease have decreased significantly, but people are still at risk from crime, road accidents, food safety, pollution, human trafficking, drugs, domestic and sexual violence, the destruction of natural resources, and political disorder.

AFGHANISTAN

Political Front:

The United Nations has agreed to provide \$149 million to Afghanistan's election commission for the upcoming parliamentary polls. Southern Province of Afghanistan remained hub of violence as 3 NATO soldiers, one former police chief and his two body guards got killed. All the while 20 Taliban fighters also got killed in the Southern region. In the meantime five pro-government militiamen got killed by Taliban in the Western Province. In eastern province the US has killed 15 Afghan civilians.

Geo-strategic Front:

President Hamid Karzai has asked foreign troops for paying more attention to securing civilian lives in the fight against insurgents. President Hamid Karzai and US Secretary of State Hillary Rodham Clinton have vowed to put aside their differences and work together to build a stable and prosperous Afghanistan. Estonia has announced to keep its troops in Afghanistan as long as their presence is required.

Social Front:

More than two dozen people got killed in Northern Afghanistan because of heavy floods. The Counter-Narcotics Ministry has lashed out at the Kandahar governor for not cooperating in efforts at eradicating opium poppies from the troubled southern province.

CHINA

Political Front:

Chinese Mainland has urged Taiwan to give up pro-independence stance. China has started putting efforts to bring reforms in its judicial system. Chinese Vice President has asked Communist Party officials to eradicate political jargons from their speeches.

Geo-strategic Front:

Chinese President has paid visit to Russia on their Celebration Day in the memory of their victory against Germany. Both States discussed areas of bilateral cooperation. Chinese growing ties with Sweden, Denmark Cambodia and Namibia also remained significant. China has urged international community to enhance cooperation to deal with

global financial crisis in an effective manner. China has expressed its intention to maintain peace and stability at Indo-Sino border. Meanwhile improvement in Chinese ties with Japan as well as South Korea has also been observed. China has rejected U.S. President Barrack Obama's recent accusation that the country's press was not free. At the same time US has expressed desire to work with China in order to expand global economy. China has welcomed the start of indirect talks between Israel and Palestine. Chinese government has also congratulated Philippines over smooth conduct of their general elections. Above all Chinese close cooperation with Arab world and African countries also grabbed attention.

Economic Front:

Chinese government has been putting efforts to improve environment for foreign direct investments. China has asked developed nations to assist the developing world in its green economy endeavor by technology transfer, financial assistance and market liberalization. China's fiscal revenue in April rose 34.4 percent year on year to 792.6 billion Yuan (116.03 billion U.S. dollars), boosted by rising tax revenues and domestic prices. China's government has opened a new range of government-run industries to the private sector, either through investment in existing companies or establishment of new firms. China has made an Exhibition Centre to increased imports of African commodities. U.S. billionaire Warren Buffet has called Chinese economy to be an amazing economy. President of Asian Development Bank has said that exchange rate of Yuan is Chinese internal affair. China has asked banks to freeze more money from lending through a higher reserve requirement. Despite droughts, agricultural price increases and other unfavorable factors, China's agricultural exports have seen a 20 percent growth in the first quarter of 2010.

Social Front:

The Chinese government has set up environmental protection agencies to build capacity with the confidence to balance economic growth and protection of environment. The world's most populous nations, China and India, have improved the lives of more slum dwellers than any other country. China has started putting efforts to stop floods. Internet services have been resumed in North-West China after 10 months.