

Report # 122
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Turkey, GCC, Iran, Central Asia, East Asia, South Asia, India, China, Japan &
Korea
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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 29 May to 4 June 2010 as have been collected by interns.

TURKEY

Political Front:

Despite government's efforts to resolve Kurdish issue tension still prevails between Kurdistan Workers' Party and security officials. In Southeastern region six soldiers got killed and few others were injured as a result of armed clash between PKK and Turkish soldiers.

Geo-strategic Front:

The major development at geo-strategic front appears to be the movement of *Freedom Flotilla* towards Gaza in order to provide them with humanitarian aid. The ship carrying more than 600 nationals from various parts of the world started its journey from Turkey. Before reaching Gaza it was attacked by Israeli commandos causing death of 12 people including 9 Turkish nationals. Dead bodies of the martyrs and rest of the volunteers got warm welcome by people of Turkey belonging to different walks of life; on their way back. In reaction to this Turkey called back its senior diplomat from Israel and warned to cut off all sort of diplomatic ties with the later if Israel would not ask for apology. Despite the fact that some defense related projects with Israel haven't been cancelled yet all water and energy projects have been suspended. Civil society has announced to launch a rally in the Golan Heights and would continue that until all the aid reaches to Palestinians. Syria has allowed them to enter Golan Heights without any documents.

Turkey has expressed keenness to accelerate its economic activity in Iraq. Meanwhile Turkish close collaboration with Saudi Arabia, Egypt and Azerbaijan in various sectors remained significant.

Economic Front:

Turkey has earned \$1.1 billion from hazelnut exports in the first nine months of the export season that began in September 2009. Meanwhile Turkish exports increased by 24.8 percent to 9 billion U.S. dollars in May 2010 when compared to May 2009.

Social Front:

Amnesty International (AI) has noted little progress made on enhancing human rights protections in Turkey.

GCC

Geo-strategic Front:

The Gulf Cooperation Council (GCC) has strongly condemned the Israeli "criminal aggression" against the freedom Flotilla which was destined to deliver humanitarian aid to the Palestinians in Gaza Strip. GCC has also asked international community particularly UNO to take serious action against Israeli. GCC has appreciated Turkey and expressed solidarity with her. Officials from the UAE and the GCC nations have been assembled in a seminar to discuss issues relating to the implementation of legislation regarding nuclear security, safety and safeguards.

Economic Front:

China has expressed serious interest in making Free Trade Agreement with GCC. Two-way trade between China and the Middle East has tripled in the last five years to \$ 107 billion in 2009. Chinese companies have also become more active in the Middle East, especially in the infrastructure sector, winning \$ 2.1 billion worth of the construction deals in the UAE alone in 2008. Islamic loan volume has exceeded \$ 5.66 billion (Dh20.78bn) in Saudi Arabia during the May 2009 to May 2010 period. Qatar stands at second number being followed by Bahrain and then Qatar. The Economic Development Board (EDB) and Greater Paris Investment Agency have signed a deal to promote Bahrain and France as business hubs and boost investments.

Social Front:

Gulf countries mainly Oman has started preparation to counter expected cyclone. Meanwhile heavy rains have also hit some areas of Oman. Oman's labor official has urged private companies in the country to reduce dependence on expatriate manpower. He further asked them to concentrate more on workers' safety and occupational health. The number of illegal workers in Bahrain has dropped by 5,000 in the last three months.

FERTILE CRESCENT

Political Front:

The ruling National Democratic Party (NDP) candidates got a sweeping majority by winning 60 out of 74 seats in the Shura Council mid-term elections. However the Muslim Brotherhood (MB) ran 15 candidates but could not win any seats. Human Rights Groups have claimed that irregularities have been observed in the elections. Proposed Reforms in Lebanese Electoral laws have yet to be enforced.

Geo-strategic Front:

Israeli brutal attack against *Freedom Flotilla* has brought huge criticism against Israel. The whole international community has condemned Israel. GCC, Turkey, Palestine, Egypt, Lebanon, Pakistan and Iran are the main Muslim countries that strongly condemned Israel. Meanwhile US, UK, EU, China, Africa and UNO have also criticized Israel's use of force.

Nearly 190 nations have agreed to a declaration that pressures Israel to join the nuclear Non-proliferation Treaty (NPT) and calls for a 2012 conference on nuclear weapons in the Middle East.

A war of words over control of the Nile has broken out between Egypt and countries upstream complaining they are denied a fair share of the river's water. Opposite political parties have entered into negotiations in order make coalition government however haven't reached at conclusion till now. Meanwhile Iraqi Supreme Court has approved final results of March 7 elections.

Economic Front:

Climate change in Egypt seems threatened to cut key agricultural crops, force millions to migrate, flood or alter tourism destinations, and dramatically cut water supplies. Iraqi Oil Minister has started talks with Syria on the possibility of resuming oil exports via the pipeline and the construction of new lines to ferry Iraqi oil and gas via Syria. Lebanese Finance Minister has urged investors to explore the great investment opportunities in Lebanon.

Social Front:

An Egyptian court has ordered the government to consider revoking the citizenship of Egyptians married to Israelis if the marriage posed a threat to Egypt's national security. Egyptian Minister of Communications has announced that Arabic, spoken by about 280-million people worldwide, would soon appear in domain names and Web addresses.

CENTRAL ASIA

Political Front:

The Azerbaijani draft military doctrine has been discussed at a meeting of a relevant committee of the Parliament. Kazakh President Nursultan Nazarbaev has rejected a draft law to make him "Leader of the Nation" and grant him special powers for life if he resigned. Seven residents of a northern city in Kyrgyzstan have launched a hunger strike to demand that all associates of ousted former President Bakiev be dismissed from official posts in the region. In the meantime supporters of the former Mayor in the northern region launched demonstration against his dismissal. Turkmen President has been ranked among the heads of the most repressive countries.

Geo-strategic Front:

Azerbaijan has strongly condemned Israeli act of aggression against *Freedom Flotilla*. While discussing close Russian-Azeri ties speaker of Azerbaijan emphasized that both the countries do not have any unresolved issue. Despite the fact that Azerbaijan denies any news regarding US intention to open military base over there yet some of the newspapers including New York Times have reported US interest in opening military base in Azerbaijan. The U.S. military has stopped refueling tanker planes at its Manas air base in Kyrgyzstan due to the issue of fuel prices. One of the human rights organizations has indicated that Tajik citizen wanted by the Uzbek authorities for terrorism has been detained in southern Kazakhstan.

Economic Front:

Azerbaijan's President has announced his plan to produce some 52 tons of oil and 30 billion cubic meters of gas this year. A senior U.S. envoy urged Azerbaijan and Turkey to

sign a long-awaited gas-transit deal. Kyrgyz political condition has started affecting the country's economy.

Social Front:

A jailed Azeri journalist has announced hunger strike to demand authorities comply with a ruling by the European Court for Human Rights to release him from jail. The Karabakh Freedom Organization has held protest outside the Israeli embassy in Baku. A regional leader of Tajikistan's Islamic Renaissance Party has been charged with human trafficking. An art exhibit in Ashgabat for a well-known Turkmen artist has been canceled by Turkmen authorities without explanation. The independent Tashkent-based human rights activist Tatiana has been invited for interrogation with one of the district investigator in Uzbekistan.

IRAN

Geo-strategic Front:

Iran has strongly condemned Israel for launching an inhuman attack against *Freedom Flotilla* and asked the Muslim world to support Palestinians. Former Secretary of State Colin Powell has said that proposed stricter United Nations sanctions won't bring an end to Iran's nuclear program. Head of Japan-Iran Friendship Group Masahiko Komura in a meeting with visiting Foreign Minister Manouchehr Mottaki in Tokyo stressed the right of all signatories to the Non-Proliferation Treaty (NPT) to acquire and use nuclear technology for peaceful purposes.

Economic Front:

The total value of Iran exports to Turkey would soon reach 8.8 Billion dollars. Iran and Lebanon have signed economic cooperation act. Meanwhile Iran's growing ties with African countries also remained significant. Iran has expressed readiness to export natural gas and electricity to Pakistan. Iranian Minister of Commerce has declared western world's sanctions against shipping industries to be futile.

Social Front:

Iran and Iraq have agreed to fight against dust pollution. Only 3% of Iranians living abroad have criminal record however rest of 97% hold high profile economic positions.

EAST ASIA

Political Front:

Indonesian President has asked his countrymen to put their country before race and religion. Indonesian politicians have been condemned for not knowing the constitution or pretending this way. Dr. Mahatir Mohammad has requested Malaysians to provided undivided support to PM Najib that would enable him to boost country's economic development. He also asked Malays to get united in order to regain their political power. Senator Benigno Aquino has got substantial lead in Philippines' Presidential elections. In response to various offers made by international community to help Thai government to over come ongoing political crisis Foreign Minister claimed that his government would cope up with these issues without foreign intervention.

Geo-strategic Front:

Close Sino-Cambodian ties seem to be significant at geo-strategic front. Apart from various aid packages, China has recently promised to provide more than 250 new military trucks to Cambodia.

Economic Front:

On one hand energy exports have been contributing a lot in Indonesian economic growth. However energy demand has been increasing rapidly in the country because of increase in population and change in their living standards. Besides that environmental campaigners have been raising voice against country's trade policy. Malaysia has been planning to increase investment in Indonesia for mutual benefit. Thailand has refrained from joining Malaysia, India and Australia in raising borrowing costs this year even as a rebound in exports helped the economy expand the most in 15 years last quarter. Inflation in Thailand accelerated for the eighth consecutive month in May, driven by higher food and fuel prices. A recently released study in Vietnam indicates that Singapore has been ranked the best place to do business in the world, but barriers remain for the rest of ASEAN. Vietnam's PM has asked the central bank to implement measures to reduce interest rates and help the country achieve economic growth of 6.5 percent this year. Princess of Brunei has stressed the importance for Small and Medium Enterprises (SMEs) to seek strategic alliances and enter into viable partnerships with foreign companies, to further succeed in promoting halal products and the Brunei's Halal Brand.

Social Front:

The Philippines government and Muslim rebels have pledged to continue working towards a peace deal as they ended a final round of talks under President Gloria Arroyo's outgoing administration. Floods have stalled traffic in some areas of Philippines.

Social Front:

Prime Minister has ensured that no untreated waste and industrial effluents would flow into the Ganga River by 2020. A month after being sentenced to death for the Mumbai terror attacks, Ajmal Kasab has filed an appeal in Bombay High Court challenging the verdict and sought a lawyer from the legal aid panel to argue his case.

Regional Front:

The National Socialist Council of Nagalim has reiterated that Naga-inhabited areas should be integrated just in accordance with the people's aspiration. Government however claimed that integration of Naga-inhabited areas would need consensus among the States concerned, as boundaries would have to be altered. In the meantime Assam, Nagaland and Manipur have strong reservations regarding this issue.

SOUTH ASIA

Political Front:

A court in Bangladesh has thrown out a corruption case that accused Prime Minister Sheikh Hasina of unnecessary spending. Bangladeshi authorities have jailed 54 activists of the largest Islamist party Jamaat that had planned a rally to oppose the trial of those accused of genocide during the 1971 'Liberation War'. In Nepal the CPN-UML has

recently claimed that Prime Minister would step down only after the guarantee of past agreements on peace process and Constitution-writing.

Geo-strategic Front:

Bangladesh, Maldives and Srilanka have strongly condemned Israeli aggressive attack against *Freedom Flotilla*. Many analysts claim that in order to balance the effect of China in the region India has been pressurizing Srilanka to sign trade deal with her.

Economic Front:

The Asian Development Bank (ADB) has signed an agreement with the government of Bangladesh to provide \$266 million in loans to help the country address its natural gas supply constraints, and thus spur economic growth and reduce poverty. China has announced to grant an aid of US\$ 7.3 million to Maldives. Australia has also expressed interest in enhancing economic ties with Maldives. Gold prices have increased in Nepal. The Nepali government has proposed special programs worth 3.71 billion Nepali rupees (some 50 million U.S. dollars) for the coming fiscal year to boost agriculture production to deal with widening food deficit in the country. India has expressed readiness to improve access for Sri Lankan goods and services to its markets by creating mechanisms like common standards and recognizing professional certifications.

Social Front:

Bangladeshi government blocked face book in order to protest against blasphemy. Meanwhile a pro-opposition newspaper was shut down and its editor got arrested over fraud charges. An explosion in a transformer resulted in death 100 people while leaving many others injured in the capital of Bangladesh. At positive side government has approved legislation mandating eight years of compulsory free schooling for all children, replacing the current five-year minimum. All the while Science, English and Computers have been made compulsory even in Religious Islamic schools. Nepali government has decided to ban smoking in restaurants, bars and other public places. Tourist arrivals in Nepal by air in May have increased by 6 percent to 26,634 compared to the same month last year. The Sri Lankan government has issued a new deadline to resettle tens of thousands of internally displaced people (IDPs) who are still living in camps.

INDIA

Political Front:

The Left parties have strongly condemned Israeli attack against flotilla of six ships carrying humanitarian aid to Gaza. The CPI (M) has also asked the Government of India to officially condemn this brutal and inhuman act. The party further asked the government to work actively with other countries from the non-aligned nations in the United Nations and other bodies to force Israel to lift the illegal siege.

Parliamentary Affairs Minister has extended full support to the inclusion of cast in census and negated any apprehension that the demand would lead to a division in society. RSS seem seriously concerned about their escalating image as a terrorist outfit in media and masses. The proved link of its personnel in various bomb blasts and terrorist activities has made party worried and it has decided not to support any of its member involved in such activities. Maoists blew up a panchayat office building and a godown in Malkangiri

district in a bid to prevent security personnel from camping there. Meanwhile government has asked concerned states to enhance their police training capabilities in order to cope up with Maoist threat.

Regional Front:

Shibu Soren has resigned as Jharkhand Chief Minister after failing to get the support of Congress and its ally JVM (P) ahead of trust vote in the Jharkhand assembly. As a result Jharkhand came under Central rule with President Pratibha Patil accepting a recommendation of the Union Cabinet after the Congress and the BJP gave up efforts to form an alternative government following the resignation of Chief Minister Shibu Soren.

Geo-strategic Front:

China has agreed to take required measures in an effort to resume ties with India. Canada has regretted the use of the language that “cast false impressions” in the denial of visa to former or serving members of the Indian armed forces and security institutions and assured India that it is reviewing the admissibility policy set forth in the legislation on visa policy. India and the USA have concluded their first Cabinet-level Strategic Dialogue, pledging to deepen ties between two countries for mutual benefit and global stability while committing to work to strengthen global legal regimes against terrorism.

Economic Front:

In India the annual food inflation went up by 0.32 per cent to reach 16.55 per cent for the last week. Meanwhile fiscal deficit in the country has increased by 24.89 per cent to Rs 4, 12,307 crore in 2009-10 compared to the year ago period.

AFGHANISTAN

Political Front

The Afghanistan Independent Human Rights Commission (AIHRC) and members of affected families have called for serious action against NATO-led service-members involved in civilian killings. All the while top Taliban commander has been killed in Kandahar province. A US military vehicle got partially damaged in a bomb explosion in the restive central province. Besides that a NATO helicopter also got crashed in southeastern province. Heads of 28 committees of the Peace Advisory Jirga got elected to officially start and conduct the program. A number of key politicians and jihadi leaders, including President Karzai's principal rival Dr. Abdullah, stayed away from the long-awaited peace jirga in Kabul. Burhanuddin Rabbani, the chairman of the three-day peace jirga urged participants to put aside their political, tribal and ethnic rivalries and seek a sustainable solution to decades of conflict in Afghanistan. Afghanistan's Peace Jirga finally ended after three days with a call for a comprehensive process, including talks with militant groups, to extricate the country from an unrelenting Taliban insurgency and pave the ground for stepped-up reconstruction.

Geo-strategic Front:

US and EU have greatly appreciated Afghanis efforts to hold peace Jirga and also endorsed jirga declaration.

Social Front:

Hundreds of university students launched protest in Kabul demanding the government stop international groups from converting Muslims to Christianity and Judaism. President Karzai has also started paying attention to the allegations that aid groups have been trying to convert Afghan Muslims to Christianity.

CHINA**Geo-strategic Front:**

China has urged South Korea and Japan to release tension in the region. Chinese PM during his visit to Japan and South Korea has also made a four points proposal to enhance trade with the two countries. Meanwhile Indian President on his official visit to China also emphasized greatly on the need to enhance collaboration with China. At the same time Chinese growing ties with GCC, Tanzania, Mongolia, Myanmar, Kenya, Italy, Uzbekistan, Kazakhstan and Philippines also remained significant. China and North Korea have strongly condemned Israel for its act of aggression and asked Israel to break blockade against Palestine. China has also urged UN not to take any action that would affect lives of Iranian people.

Economic Front:

Despite the recent gains in China's property stocks, investors remain concerned that uncertain effects of the government's clampdown on property market might lead to further tightening measures. Manufacturing growth from China to Europe has decreased significantly. China has expressed its intention to remain stick with opening up of markets.

Social Front:

A senior Chinese official has called for promoting the values of the country's religions, such as sincerity, harmony, safeguarding the nation and loving the people.