

**Report # 123**  
**BUSINESS AND POLITICS IN THE MUSLIM WORLD**  
**Turkey, GCC, Iran, Central Asia, East Asia, South Asia, India, China, Japan & Korea**

**Nadia Tasleem**  
**Weekly Report from 5 June to 11 June 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 5 June to 11 June 2010 as have been collected by interns.

**TURKEY**

**Political Front:**

Opposition parties have criticized government's stance at the UNSC regarding Iranian nuclear program and emphasized that nuclear weapons should be eliminated from the world. Turkish Parliament has passed a protection law for the safety of coal miners. The Constitutional Court has accepted an indictment filed by the main opposition Republican People's Party (CHP) against the government's referendum package passed in May. Besides all that Turkish military launched air strikes against bases of the terrorist Kurdistan Workers' Party (PKK) in northern Iraq.

**Geo-strategic Front:**

Russian PM has pledged to support Turkey in raising the issue of the May 31 Israeli attack on a Gaza-bound humanitarian aid convoy which led to the deaths of nine activists. Turkey has asked Arab countries to get united in order to respond Israeli attack in an effective manner. Turkish 'no' vote over the issue of sanctions against Iran has brought a new dynamics to US-Turkey-Iran ties. A group of Israelis have announced to visit Cyprus in order to protest Turkish occupation of the region. Turkish energy Minister said that they would willingly sign nuclear energy agreement with South Korea. Turkey has signed various agreements of cooperation with Thailand at various fronts.

**Economic Front:**

Lebanese Prime Minister Saad Hariri while addressing the opening of Turkish-Arab Cooperation Forum said that Turkey and Arab countries might establish an integrated economic structure which will foster power of Arabs and Turkey in economic and political platforms and international arena against challenges in the region. The government has recently decided to resume livestock and red meat imports through the state-owned Meat and Fish Institution (EBK). Previously above mentioned institutions were being banned for an eight-year in result the mad cow disease scare. Turkey and Russia signed a nuclear cooperation deal during the third summit of the Conference on Interaction and Confidence-Building Measures in Asia (CICA).

## **GCC**

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

GCC has been trying to diversify their relations with key international actors. They have entered in dialogue with Europe and US on one hand and with China, Russia, ASEAN and other Asian countries on the other hand. Meanwhile all GCC members have been engaged in further strengthening their mutual collaboration. Meanwhile UAE has requested UN to carry impartial investigation of Israeli aggression against Palestine and release full report then. Qatar has also put itself solidly behind fellow Arab states that have decided to take Israel to the International Court of Justice. GCC held Arab Parliament's urgent session and decided to send a delegation to Gaza in yet another attempt to break the four-year-old siege on the Strip. They also called for lifting the siege imposed on Gaza by Israel without conditions or limitations.

### **Economic Front:**

Arab countries have been putting effort to explore various areas in order to boost their economy. In this regard they have been successful in attracting some of the world's important investors after recovering from global economic crisis.

### **Social Front:**

The Abu Dhabi Education Council has unveiled its Higher Education Strategic Plan to achieve the aims of the emirate's plan of economic diversification and establishing a knowledge-based economy. Kuwaiti government's recently approved amendment in labor law has been warmly welcomed in various sectors.

## **CENTRAL ASIA**

### **Political Front:**

The Azerbaijani Parliament with participation of MPs and local and international experts held hearings on the Constitutional Law "On normative legal acts". At least four people got injured when a grenade exploded in northern city of Kyrgyzstan. At least 50 people have died and more than 600 got injured in clashes between ethnic Kyrgyz and Uzbek youth versus security forces in the southern city of Osh. The US has called for sensitivity to ethnic issues and the inclusion of all ethnic groups in the development in Azerbaijan. More than 20 journalists protested outside the Uzbek Embassy in the Tajik capital and asked Uzbekistan to open economic blockade against Tajikistan. Tajik independent journalists and analysts have condemned Liberal Democratic Party Leader for calling Tajikistan to be a failed state. The Majilis of Turkmenistan has passed a resolution setting the date of elections to the regional, district and city people's councils. President of Uzbekistan Islam Karimov has signed the law on legal expertise on 1 June. The document regulates relations in the field of legal expertise in the country. At least 20 Tajik students gathered on June 4 near Uzbekistan's embassy in Washington urging Uzbekistan's government to remove transport blockade of Tajikistan.

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

U.S. President has promised Azerbaijan in a letter that Washington would treat its dispute with Armenia as a top priority. The US Secretary of State has also paid visit to Azerbaijan. A British humanitarian organization assured that it has cleared land mines

and unexploded ordnance from the bulk of Nagorno-Karabakh's war-affected territory. Despite Azeri criticism new parliament in Nagorno-Karabakh held its first session and appointed their leadership. Azeri President held meeting with Turkish President and appreciated friendly ties between the two countries. Azerbaijan has agreed to ship more gas to Europe via Turkey. United States has started talks with Azerbaijan about fuel supplies for its operations at Manas air base. Turkmen President has reached Uzbekistan for participation as a guest in the session of the Council of heads of states of the Shanghai Cooperation Organization, hosted by Tashkent. Meanwhile Presidents from Russia, Afghanistan, Pakistan and other Central Asian Republics have also arrived Tashkent to attend SCO summit.

**Economic Front:**

China and Azerbaijan have decided to create a joint venture in July to build the Beyneu-Bozoy-Akbulak gas pipeline. Kyrgyz GDP has increased by 9.7%. Gazprom-Neft-Tajikistan, which controls some 60 percent of the gasoline market in Tajikistan, has announced a retail price hike of over 25 percent. Farmers and businessmen in Tajikistan's northern province of Sughd have been desperately seeking new markets following a ban by Russia on the import of dried fruit and nuts from Tajikistan.

**Social Front:**

The US has signed narcotics control agreement with Turkmenistan.

**EAST ASIA**

**Political Front:**

The Golkar Party said that it would continue to fight for higher parliamentary threshold of 5 percent to reduce the number of political parties at the House of Representatives. Ruling Party's leader has denied allegation that the higher parliamentary threshold aimed to bar small parties from getting seats at the House. He further added that even the current big political parties might not be able to pass the 5 percent threshold. Several groups have urged president-elect Benigno Aquino III to certify as urgent the Freedom of Information (FOI) Act after members of the 14th Congress failed to ratify the measure due to infighting and lack of quorum. Rights group Amnesty International has called on Thailand's prime minister to ensure an independent and impartial investigation into recent unrest and to lift a state of emergency immediately. In response Premier Abhisit Vejjajiva has commissioned an inquiry led by a former attorney general into the loss of 90 lives after recent clashes between armed troops and anti-government "Red Shirt" demonstrators.

**Geo-strategic Front:**

Indonesia has announced its plan to increase the number of its submarines over the next two years to defend its territory as well as protecting international shipping lanes. The country has further planned to boost its defense spending up to 1.5 per cent of the country's gross domestic product by 2014 from about 0.7-0.8 per cent in 2010, among the lowest in the region.

**Economic Front:**

Finance ministers from the Group of 20 countries ended a two-day meeting to review progress on a string of initiatives agreed last year to make the financial system safer and protect taxpayers from having to pay for bank rescues again. Malaysian Prime Minister has set out a five-year plan to cut subsidies and accelerate investment but outlined few measures to boost competitiveness, reinforcing doubts about his reform agenda. A new survey has found that Singapore and Hong Kong have the least complex, most consistent and predictable tax policies in the region. Japanese investors have started focusing on Philippines as an alternative to China and Vietnam. Donors have pledged US\$1.1 billion in aid for this year - up from last year's \$950 million - during a two-day conference ending on 3 June. At the same time they have scolded the country for failing to implement various reforms. Twelve global companies have joined with the Government of Vietnam to launch a public-private task force to advance sustainable agricultural growth in the country.

### **Social Front:**

Government troops have mounted an offensive in Basilan, a predominantly Muslim island amid intelligence reports that a number of militants allied with the Southeast Asian militant network Jemaah Islamiyah have taken refuge in Abu Sayyaf encampments. A Muslim mulana in Medan, North Sumatra, warned candidates in regional elections not to use Islam to support their political agendas.

## **INDIA**

### **Political Front:**

BJP and Leftist parties have asked government to reconsider the nuclear legislation. BJP has dismissed reports of differences in the party on the inclusion of caste in census; despite the fact that few of the leaders have expressed support for inclusion on the basis of caste however some others have come up with opposite opinion. During latest meeting between the Ministry of Home Affairs (MHA) and MPs representing the worst Naxal-affected regions, MPs claimed that military operation should not be launched to counter Maoist insurgency.

Fifteen persons got injured in clashes between the police and stone-throwing youths who were protesting against an alleged blasphemous depiction of the holy city of Madina on some products, which disrupted life in parts of this city and Baramulla in north Kashmir.

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

India has strongly condemned Israeli inhuman attack against *Freedom Flotilla*.

### **Economic Front:**

Gold prices have remarkably increased in Indian markets. Meanwhile industrial production has also grown.

### **Social Front:**

Ministry of Minority Affairs has recently released figures that indicate 3% increase in job opportunities for minority communities in the last three years. India has been ranked at 128th number on this year's Global Peace Index (GPI) after it slipped six positions. Most parts of north India received moderate to heavy rainfall, causing the mercury to dip

sharply as flash floods triggered by Cyclone Phet inundated low-level areas of Rajasthan. Almost 35 lakh people live below poverty line in Kerala. State energy minister Saurabh Patel has strongly objected to Planning Commission member's remarks about the plight of minorities in Gujarat, saying Muslims here were in a better position than anywhere else in the country.

## **SOUTH ASIA**

### **Political Front:**

Bangladeshi key opposition parties have decided to launch a joint movement against ruling party because of its anti-national policies. Nepali PM has agreed to resign on a condition that Maoists should give up arms. In response Maoists have announced to agree to the government's proposal and asked PM to hand over power within five days.

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

Growing Chinese relations with Bangladesh also remained significant.

### **Economic Front:**

Bangladesh has decided to immediately sign a Free Trade Agreement with India in order to narrow the huge trade gap between the two countries. The Sri Lankan economy has improved, recording better results and showing 6% economic growth in the first quarter.

### **Social Front:**

Government of Bangladesh has been criticized for curbing freedom of expression.

## **AFGHANISTAN**

### **Political Front:**

President Hamid Karzai has ordered a review of all suspected Taliban fighters imprisoned in Afghan jails and said those held for dubious reasons should be freed. Afghanistan's interior minister and the head of the National Directorate of Security have both resigned over attacks that marred the opening day of the peace jirga. Hamid Karzai however faced criticism for accepting resignation of these two officials. Meanwhile Taliban have rejected three days peace jirga on the ground that it did not come up with any new proposal. An Afghan and international operation to clear Taliban from two districts of southern Ghazni province has begun.

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

Afghan President has called for greater coordination between regional countries in the war on terror. Russia has rolled out a global initiative to stem Afghan drug trafficking to include a comprehensive crackdown on opium poppy growing, but the United States gave a cool reception to the plan. British Prime Minister has ruled out sending any more troops to Afghanistan, emphasizing the need to bolster Afghan forces to pave the ground for the withdrawal of foreign troops. Japan has announced to provide \$422 million to Afghanistan over next six months through United Nations agencies.

### **Economic Front:**

Afghanistan has been putting effort to draw up a law to regulate Islamic banking in the country.

**Social Front:**

According to a top health official about 3,000 people lose their lives every year in Kabul due to pollution-related diseases.

**JAPAN**

**Political Front:**

Japan's new PM Kan has helped his party to get people's favorability. Various surveys have indicated growing popularity of his party among public.

**Geo-strategic Front:**

A Senior US security official has appreciated Japan's PM's opinion to honor the latest bilateral agreement on the Futenma airfield relocation within Okinawa Prefecture.

**Economic Front:**

Economists have expressed positive hopes about Japan's economic growth during Kan's era. Japanese corporate bankruptcies fell for a 10th month in May, extending the longest streak of declines in five years, as the nation's economic recovery helped more firms stay afloat. Aluminum buyers in Japan have won a reduction in the fee charged by producers for a second straight quarter as Asian supplies increased on shipments from China and the Middle East.

**Social Front:**

Japanese Health minister has dropped the idea of increasing the child allowance to 26,000 yen (about \$280) per month in fiscal 2011. The total cost at that rate would be about 5.4 trillion yen a year.

**KOREA**

**Political Front:**

United States has started considering new options to punish North Korea beyond UN over the issue of sinking South Korean ship. North Korea's rubber-stamp parliament named leader Kim Jong-il's brother-in-law to the post of vice chairman of the National Defense Commission.

**Geo-strategic Front:**

A South Korean space rocket carrying a scientific satellite exploded two minutes into its flight in the second failure in two tries to put a payload in orbit. North Korea has assured China that it would punish those responsible for shooting dead three Chinese nationals near the two countries' border and vowed to prevent any repeat. South Korea and US have confirmed that North Korea supplied Iran with submarines several years ago, showing that military exchanges between the two countries have reached a higher level.

**Economic Front:**

South Korea's unemployment rate declined in May to the lowest level since October 2008 as the nation's strengthening economy prompted companies to hire. Production at Hyundai Motor's (005380.KS) Indian plant was halted by a workers' strike for three days. Meanwhile, Indian carmakers asked government to intervene in order to resolve this issue. As a result strike ended and normal operations got resumed.

**Social Front:**

South Korea approved two shipments of baby formula for North Korean infants despite rising tensions between the neighbors after Seoul accused the North of sinking one of its naval vessels.

**CHINA**

**Political Front:**

Recently published White Paper on Chinese government's Internet Policy has created suitable conditions for public to access government's performance.

**Geo-strategic Front:**

United States has asked China to release those being arrested at Tiananmen Square. In response China has asked US to abandon 'rude interference' in internal matters of China as it would spoil relations between the two countries. Meanwhile US arms sale to Taiwan has also been regarded as hindrance in the way of growing Sino-US ties. Chinese collaboration with Egypt, Vietnam, Uzbekistan, Kazakhstan, Russia, Myanmar, Sri Lanka, Turkey, Cyprus, Pakistan, Iceland and New Zealand also remained significant. China seems to be quite optimistic about growth of Sino-Japan relations. China has urged international community to resolve Iranian nuclear issue through negotiations.

**Economic Front:**

Investors' confidence in Chinese markets has remarkably increased. Chinese exports have also witnessed considerable growth. In the meantime stock exchange remained fluctuating. Employes at Honda Factory launched protest for increase in wages. Chinese firms have got big opportunity in Iraq. World Bank has approved loans for sustainable development of Chinese rural areas.

**Social Front:**

China's central authorities have set down a more open policy to attract top-notch foreign talents to help promote the economic and social development and global competitiveness of the nation. An increase in Chinese labor strikes against companies being owned by foreigners has been observed. Infectious diseases have widely spread in Mainland China. Senior Chinese leader Zhou Yongkang has stated the need for sound and fast economic growth as well as social harmony and stability in China's ethnic minority areas. Chinese cabinet has approved guidelines to enhance forest protection and to curb river pollution. Chinese government has announced its plan to make internet accessible to 45% of its population within next five years. Computer crimes have remarkably increased in China.