

Report # 126
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Turkey, GCC, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia, India
& East Asia

Nadia Tasleem
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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, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia & India and East Asia from 26 June to 2 July 2010 as have been collected by interns.

GCC

Geo-strategic Front:

Growing ties of GCC and EU remained in focus this week as well. Meanwhile the US President held meeting with Saudi King at G-20 Summit and discussed various issues primarily related to the Middle East peace process and Iranian nuclear issue. A joint UK-UAE diplomatic taskforce has been established in the first move by the new British government to forge stronger ties with the world's emerging economic powers. OIC has announced to old meeting in order to express solidarity with Palestinians. Meanwhile Qatar and Pakistan have signed a joint cooperation agreement on military affairs. GCC countries have been putting maximum effort to collaborate with various countries against the menace of terrorism.

Economic Front:

Saudi Kingdom has increased its production capacity to 12.5 million barrels per day in order to stabilize international oil market. Saudi leader at G-20 summit also called upon consumer countries to establish effective financial and commodity markets to avoid fluctuations in oil prices. He further asked consuming countries to cooperate with the producing countries in order to ensure market stability and the flow of investments required for energy production. On June 28 the UAE froze the accounts of dozens of Iran-linked firms named in the UN sanctions resolution. Dubai, home to some 80,000 Iranians and thousands of Iranian businesses, re-exported \$ 5.8 billion of goods to Iran last year.

Despite global economic crisis the investment atmosphere in the Arab states remained largely regular due to the enacting of some vital legislations, increasing incentives for investors, slashing taxes and drawing up bilateral and multi-party transactions.

Social Front:

Kuwait Ministry of Higher Education has signed a memorandum of understanding (MoU) with two universities in Hong Kong. A number of Kuwaiti MPs have expressed their rejection of any amendments to the Islamic teaching curricula in Kuwaiti schools. The parliamentarians accused education minister of 'making a mistake' in instructing ministry officials to remove 'controversial' lessons from the Islamic Studies curricula.

Bahraini King has assured his public that they stand at top priority for him. He also emphasized his keenness to co-opt citizens and ensure their active participation in making crucial decisions, through the National Assembly and municipal councils.

AFGHANISTAN

Political Front:

President Hamid Karzai has submitted a list of seven nominee ministers to fill his cabinet posts. Five of the nominees got approval of the Lower House of The Parliament.

As far as violence is concerned it remained high in various regions. In this regard two NATO supplying fuel tankers were set afire, while a CD shop was blown up in the eastern province of Nangarhar. Likewise, two tribal elders have been killed in two separate incidents of violence in southern Helmand province and three NATO soldiers got killed in separate explosions in the increasingly volatile eastern and southern regions of Afghanistan. Over all the death of foreign troops has hit the record toll of 100 in June, making it the deadliest month since beginning of the war in Afghanistan.

Geo-strategic Front:

The government of United States officially has handed over the 105-megawatt Tarakhil power plant to the Afghan government. Despite the fact that many countries consider US policies in Afghanistan to be a failure; newly appointed US commander in Afghanistan David Petraeus has denounced any chances of bringing change in Afghan-war strategy. The UN secretary-general's special envoy to Afghanistan has expressed his deep concerns over deteriorating security situation in the war-torn country. Afghan Ministry of Defense rejected a report published in an influential US newspaper that said President Karzai has agreed to send a group of military officers to Pakistan for training.

Economic Front:

The US government recently stated that it has no objection to the Chinese investment in Afghanistan. A U.S. survey has discovered almost \$1 trillion of mineral deposits in Afghanistan. Nearly 200 international firms have shown their interest to invest in Afghanistan's mines.

Social Front:

President Hamid Karzai has called on international community to show sincerity in fighting the menace of drug trafficking that benefited international drug traffickers and dealers, who encouraged Afghans to grow poppy. The Danish government has pledged to provide a major assistance of \$60 million to the Ministry of Education to boost the quality of education in Afghanistan. A huge demonstration attended by more than one thousand people has asked the government to ensure that the two official languages, Pashto and Dari, should be treated equally in the public sector.

SOUTH ASIA

Political Front:

Bangladesh has witnessed number of strikes by garment workers as well as opposition party. Involvement of police to contain protestors has been leaving many people wounded. PM has urged opposition to leave the politics of protests and to rejoin

parliament. Meanwhile Bangladeshi police has arrested three top leaders of Bangladesh's Islamic Party on the charge of offending religious sentiments of the Muslim majority. United Nations has expressed serious concern regarding prevailing political instability in Nepal. Meanwhile amidst huge pressure, PM of Nepal has resigned from his designation last week. Opposition party appreciated his decision. In the meantime parties have started struggle to grab power. Knowing the fragility of situation Caretaker Prime Minister Madhav Kumar Nepal called the heads of all four security agencies at his office and directed them to maintain necessary vigil to avert possible security threats in the transitional situation in the aftermath of his resignation. In response to the UN concern Srilankan PM claimed that government could cope up with the internal security issues so they don't need foreign intervention in this regard. Meanwhile Sri Lankan government has assured the United Nations that a threat made by a government minister on the UN office and staff in Colombo was an individual opinion and not the government's policy. Sri Lankan government has refused to take the blame that it was creating an "alliance" with the followers and the supporters of Tamil Tigers.

Geo-strategic Front:

The Unified Communist Party of Nepal-Maoists (UCPN-M) has decided to express solidarity with Indian Maoists, who have intensified their armed struggle against the state.

Economic Front:

A senior Bangladeshi professor has warned that continuing energy crisis would cause a whopping 16.6 billion dollars annual loss to the country's economy. China has promised to provide duty-free entry to major Bangladeshi products with an aim to offset the annual trade gap of \$2.5 million. Sri Lanka has retained much of its heavy defense budget this year more than a year after ending the country's civil war. The Sri Lankan government has presented the Appropriation Bill for the 2010 Budget with an estimated Rs. 974.748 billion as expenditure for its services for the remainder of the financial year of 2010.

Social Front:

Bangladeshi Parliament has passed a bill increasing retirement age of workers employed in various industries.

INDIA

Political Front:

BJP has asked people not to criticize security forces for their use of force in Kashmir until judicial commission submits its report regarding killings of innocent civilians in the state. Meanwhile BJP and Left parties have separately given a call for a nationwide strike on July 5 against the fuel price hike. Oil Minister however defended the government's position. The JD-U has begun serious efforts to consolidate its Muslim vote by assuring recognition to over 2,400 madrasas and demanded Scheduled Caste status for over one crore Dalit Muslims of Bihar. In the meantime The BJP and JD-U have finalized seat sharing in Bihar for the upcoming Assembly election in the state.

Maoists continued their attacks against CRPF in Chhattisgarh leaving number of people dead and injured.

Geo-strategic Front:

Much to India's relief, the Nuclear Suppliers Group (NSG) has failed to adopt new guidelines that would have led to the denial of enrichment and reprocessing (ENR) technology to countries like itself that have not signed the Nuclear Non-Proliferation Treaty (NPT). Meanwhile India and Canada on Monday signed a civil nuclear cooperation agreement. Britain and France have voiced their support for India's case for permanent membership of the UN Security Council and favored deepening of bilateral ties between them.

Economic Front:

India's current account deficit (CAD) rose to \$38.4 billion during 2009-10 from \$28.7 billion a year ago. Meanwhile software exports fetched \$49.7 billion in 2009-10, up 7.4 per cent over the previous year. Leaders of the G-20 group of nations have decided against immediate withdrawal of economic stimulus, strongly pushed for by India, to preserve the "fragile" global recovery, while agreeing that countries should themselves decide on the contentious financial levies.

Social Front:

The South Asia chapter of the 2010 State of the World's Minorities and Indigenous People, brought out by the London-based Minority Rights Group (MRG) International, has criticized the Indian government's continued opposition to the recognition of caste-based discrimination as a human rights violation. The report also criticized the Indian army for committing human rights violations against civilians, including extra-judicial killings, abductions, arbitrary arrests and detentions in the guise of counter-terrorism.

Outraged by the spate of 'honor' killings in and around the capital, civil society groups got together and demanded that the Centre take exemplary and comprehensive measures to end this crime.

At environmental front a Dutch environment report has blamed high growth in China and India for the rise in carbon emissions, saying they have "completely nullified" the reductions achieved by rich nations.