

**Report # 128**  
**BUSINESS AND POLITICS IN THE MUSLIM WORLD**  
**Turkey, GCC, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia, India**  
**China, Korea & Japan**

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**Weekly Report from 10 July to 16 July 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, Fertile Crescent, Central Asia, Iran, Afghanistan, South Asia & India, China, Korea and Japan from 10<sup>th</sup> July to 16<sup>th</sup> July 2010 as have been collected by interns.

**TURKEY**

**Political Front:**

More than 5,000 demonstrators clashed with police in the southeastern Turkish city of Diyarbakir after a rally in support of the outlawed Kurdistan Workers' Party.

**Geo-strategic Front:**

Greece has complained to Ankara about a Turkish naval research ship monitored between the eastern Greek islands of Rhodes and Kastelorizo. Slovenia has extended enthusiastic support to Turkey in its European Union membership bid. Turkey and Serbia have signed a number of agreements, including one on lifting visa requirements, expanding cooperation between the two countries despite past tensions. US Secretary of State Hillary Clinton, in a phone conversation with Foreign Minister Ahmet Davutoglu, has urged Turkey to maintain dialogue with Israel.

**Economic Front:**

Turkey's exports of white meat have increased by 30 percent in the first half of 2010 when compared to the same term last year. The unemployment rate in Turkey has declined from 14.9 percent a year ago and 12.5 percent in March. Turkey's current account deficit has increased 84.5 percent to 2.9 billion USD in May, 2010 when compared to May, 2009. Istanbul has attracted 4.6 percent fewer tourists in the first half of the year compared to one year ago.

**Social Front:**

New principles determined by a consensus of all national television channels have been proposed for broadcasting news on terror-related incidents and extraordinary events. According to that fear provoking news would be avoided. The State Meteorology Bureau has issued a high temperature alert for the entire country this week. According to the bureau, temperatures are expected to rise by one to three degrees Celsius in most parts of Turkey.

## **SOUTH ASIA**

### **Political Front:**

Most prominent issue in Bangladeshi politics seems to be ongoing debates regarding religious politics. The chairman of the Chittagong Hill Tracts Regional Council called on activities and volunteers to monitor the political situation in Bangladesh and blamed the government for the lack of improvements in the situation of the CHT Leading vernacular daily newspaper in Bangladesh. Major political parties in Nepal have failed to reach at a consensus regarding transfer of power to the new government. People from Terai region went to the centre in order to get power share in making of the new government. Sri Lankan police has filed a new case against former army chief and defeated presidential candidate for allegedly employing military deserters.

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

Three East-Asian nations namely, Japan, China and South Korea, have expressed keenness to improve their ties with Bangladesh. Nepal has criticized UN for supporting Maoists in their demand for integration of rebels in Royal Army. UN however denounced these charges. Bangladesh and Nepal have revived a deal signed more than three decades ago to work out a transit route through which landlocked Nepal can access the Mongla port. India and China have sealed two separate contracts to build railway lines and communication links in Sri Lanka.

### **Economic Front:**

Nepali Finance Minister has presented the advance budget of Rs.110.21 billion for the fiscal year 2010/11. Nepal has asked New Delhi to lift the ban on the transaction of Indian Rs. 1,000 and Rs. 500 currency notes in the country so as to boost business and ease the hardship of travelers from India.

### **Social Front:**

Bangladesh's highest court has banned punishments handed down by fatwa, or religious edict, after a series of cases of Muslim women who were beaten or caned for religious offenses. UN rights agency OHCHR-Nepal has expressed concern over threats by Maoists to human rights defenders. A Sri Lankan minister has ended his fast aimed at forcing the UN to abandon a probe into crimes allegedly committed during the final months of the country's civil war. Sri Lankan government has announced that it would take strict measures to control the spreading of dengue epidemic.

## **INDIA**

### **Political Front:**

Some of the reports have indicated the involvement of senior RSS leaders in a number of blasts. Keeping those reports in mind Congress spokesman has asked BJP to keep distance from such outfits otherwise it would have to pay price. SP supremo Mulayam Singh Yadav has regretted taking support of those responsible for the Babri mosque demolition in the last election and sought pardon of the Indian Muslim community. Home Minister has claimed that casualties because of Naxals have been more than those because of terrorist activities. He said between 2004 and 2008, the Naxalites had killed about 500 civilians every year. This number rose to 591 in 2009. In just the first six

months of this year, 325 civilians have been killed in Naxal violence. Garment exports from India dropped 2.64 per cent to \$ 10.64 billion in 2009-10 compared to \$10.93 billion in the previous financial year. India's Industrial output rose by 11.5 per cent in May, growing in double digits for the eighth straight month, on good showing by manufacturing, particularly capital and consumer goods.

As tension still exists in Kashmir hence government has re-imposed curfew to ease tension.

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

China has urged India to abide by its commitments to restrict political activities of exiled Tibetans in India. France has reiterated its support for India's bid for a permanent seat in the United Nations Security Council. The foreign ministers' meetings between India and Pakistan ended without any result mainly because of blame game.

### **Social front:**

Twenty-six years after 1984 anti-Sikh riots, five Sikh high priests have declared it as genocide carried out to eliminate Sikhs from the country. A recently published survey has indicated that amidst acute poverty across South Asia, the five states of Delhi, Kerala, Goa, Punjab and Himachal Pradesh have the least number of poor people in India.

After the flood claimed 33 lives in Punjab and Haryana and caused an estimated loss of nearly Rs 1,400 crore, a blame game has started between the two agrarian states over the floods.

## **EAST ASIA**

### **Political Front:**

An anti-graft activist was attacked and got injured as he has been investigating some top police officials for their involvement in corruption. Malaysian PM has urged the leaders in the Malaysian Indian Congress (MIC), which is a component of the ruling coalition of Barisan Nasional, to stop the internal bickering and change with the times. He asked them not to create instability. After surviving the 10-week red shirts anti-government protest in May and vote of no confidence last month, the Abhisit administration is currently facing another wave of political uncertainty as his government seems to be challenged by the constitutional court. The Philippine presidential election was held on May 10 and Benigno Aquino III won handsomely and was proclaimed as president in a joint session of Congress on June 9. He was sworn in as the Philippines' 15th president on June 30. New President has made commitment to resolve Mindanao issue.

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

The United States and Laos have pledged to step up cooperation after their highest-level talks since the Vietnam War.

### **Economic Front:**

Indonesian Finance Minister said that the government would boost food supply to reduce rising pressure from inflation. Malaysia has been paying special attention to attract investments. Vietnam and EU have expressed interest in boosting economic ties.

### **Social front:**

The Islamic Authority in Indonesia has recently declared that Muslims in the country have been praying in a wrong direction hence they should change the direction. Alleging discrimination, a group of 20 ethnic Indians in Malaysia have approached the country's royal constitutional head for more scholarships and loans to help deserving students pursue higher studies.

## **CENTRAL ASIA**

### **Political Front:**

Another official in Kyrgyzstan's interim government has announced his resignation in order to take part in upcoming parliamentary elections.

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

The presidents of Armenia and Azerbaijan avoided face-to-face talks on the sidelines of an informal summit of seven former Soviet republics held in Yalta. Two Kyrgyz shepherds were killed and a Kazakh border guard wounded in a shoot-out on the Kazakh-Kyrgyz border. Senior US Advisor held meeting with Kyrgyz President and discussed various issues. UN country team in Uzbekistan has highly evaluated the effective efforts of Uzbekistan in response to the humanitarian crisis, which became a result of the violence in Kyrgyzstan in June and led to mass flow of refugees to eastern regions of Uzbekistan.

### **Economic Front:**

Russia has announced to lend Kazakhstan \$700 million to build the third unit of the Ekibastuz GRES-2 power plant. The Federation Council approved the Federal Law "On Ratification of Agreement between the Government of the Russian Federation and the Government of Turkmenistan for the Promotion and Mutual Protection of Investments".

### **Social Front:**

Azerbaijani media reported that several people, including two police officers got injured on July 6 during a large-scale brawl in the village of Shotlanly between local residents and internally displaced persons (IDPs) recently relocated there. The office of Kyrgyzstan's prosecutor-general has sent a complaint to Kazakh authorities about two journalists from regional Internet sites who were publishing during last month's deadly ethnic violence. The Red Cross has warned that the fate of missing people has renewed tensions in southern Kyrgyzstan. Turkmen President has voiced support for the creation of new political parties as well as private media.

## **GCC**

### **Political Front:**

Various political parties seem to be keen to contest upcoming parliamentary elections in Bahrain.

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

Saudi civil airliner touched down in the main southern Iraqi city of Basra on the first such flight between the neighboring countries since Iraq's 1990 invasion of Kuwait. Situation

at Iraq-Kuwait border remained normal as Iraq has assured to abide by the UN Resolution. Oman has expressed keenness to enhance ties with India. The European Union (EU) and the Gulf Cooperation Council (GCC) have agreed to hold an "economic dialogue" every year to boost and expand economic and trade cooperation and relations between the two major regional blocs.

### **Economic Front:**

The Shura Council approved the 9th Development Plan in its session Sunday with a margin of just one vote after 75 members voted for the plan while 41 others opposed it. The 9th Development Plan, prepared by the Ministry of Economy and Planning, includes priorities to continue improving citizens' standard of living, develop national manpower, achieve balanced development in different regions, develop the national economic structure and upgrade the competitiveness of national products in national and international markets. EU has been enhancing economic ties with different countries of GCC mainly Saudi Arabia and UAE. Oman and India have signed agreements to enhance economic cooperation. Saudi Arabia, Qatar and Iraq have also enhanced cooperation in economic sector.

### **Social Front:**

The six-nation Gulf Cooperation Council (GCC) has finalized a plan to set up a human rights panel in the region.

## **AFGHANISTAN**

### **Political Front:**

As many as 111 candidates have been disqualified from contesting the second parliamentary election in Afghanistan since the overthrow of the Taliban regime. The Ministry of Interior has refused to rule out a militant attack during next week's major international conference in Kabul. Seven International Security Assistance Force (ISAF) soldiers got killed in separate attacks in southern and eastern Afghanistan. Amidst tensions NATO supported the idea of the establishment of a supportive force tasked with maintaining security in areas regular security forces could not access.

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

The Afghan government and some political analysts have strongly condemned a former US diplomat's remarks in which he said a de facto partition of Afghanistan was the best option for the United States and its allies.

### **Economic Front:**

The minister of agriculture, irrigation and livestock has announced an ambitious program worth \$3 billion to improve the living conditions of rural families and farmers. The Afghanistan Chamber of Commerce and Industries (ACCI) has called upon Pakistan to sign the Afghanistan-Pakistan Transit Trade Agreement (APTTA) at Kabul conference, scheduled for July 20. Increased demand for Afghan currency has seen it rise against the US dollar and Pakistani rupee leading to a reduction in price of commodities.

## **Social Front**

Various human rights groups as well as the US have stressed that woman issues would be a priority in any political deal with Talibans. Logar province in central Afghanistan was declared poppy-free five years ago, but since then the number of drug addicts has shot up. Japan has agreed to spend one million US dollars on various development projects in Afghanistan.

## **KOREA**

### **Political Front:**

The court has laid down guilty verdicts to people indicted for spreading messages in support of their favorite election candidates through the micro-blogging service Twitter. The 13-day official campaigning for the July 28 National Assembly by-elections has started.

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

North Korea has expressed readiness to rejoin the six-party negotiations on its denuclearization. A working-level meeting scheduled between the United Nations Command and North Korea was postponed at Pyongyang's request. Officers from the U.S.-led United Nations Command (UNC) and North Korea had to discuss matters regarding the holding of generals' talks on the sinking of the South Korean Navy ship Cheonan but North Korea cancelled the meeting. A group of scholars have called for the government to push through an amendment to the Constitution, aimed at reducing presidential power.

### **Economic Front:**

South Korea's 30 major industrial groups have announced their plan to invest 22.4 trillion won (\$18.5 billion) by 2013 in clean energy, including batteries and solar power. Posco, Asia's third-largest steelmaker, posted its third straight gain in quarterly profit after increasing prices and production on revived demand from automobile and appliance makers. South Korea's unemployment rate rose for the first time in five months in June as government employment programs began to wind down. The jobless rate climbed to 3.5 percent from 3.2 percent in May, which was the lowest level since October 2008.

### **Social Front:**

The match-making company Duo surveyed 257 people earlier this month on people's attitudes toward finding dates through a social network service (SNS) such as Twitter, me2DAY and Face book. A total of 232 people attempted suicide in Seoul's Han River in the first half of the year.

## **JAPAN**

### **Political Front:**

Political leaders made last-minute efforts to drum up voter support in some of the most hotly contested constituencies in recently held Upper House election in Japan. The Democratic Party of Japan-led ruling coalition lost its Upper House majority as Prime Minister Naoto Kan's sudden emphasis on tax reform pushed voters back to the Liberal Democratic Party. Of the 121 seats up for grabs, the DPJ secured 44, compared with 51

for the LDP. Despite defeat of the ruling party; 73% of the people being surveyed have asked PM not to resign from his position.

**Economic Front:**

Election results have directly affected various economic sectors of Japan. Toyota Motor Corp. and Nissan Motor Co. have decided to invest a combined \$1.2 billion to expand production in Latin America amid growing regional and export demand.

**Social Front:**

Increasing numbers of counterfeit Japanese goods such as watches and cosmetics have got spread on Chinese online shopping sites. Hundreds of thousands of people in western and southern Japan have been urged to evacuate their homes as heavy rains caused mudslides and flooded houses, killing two and leaving some missing.

**CHINA**

**Political Front:**

A recently made regulation extends the list declarable assets for officials and introduces dismissal as the maximum penalty for failing to report assets honestly and promptly. Nowadays thousands of Chinese have joined a heated discussion about new rules that are designed to curb corruption and increase transparency about the assets of government officials.

**Geo-strategic Front:**

China has denounced US allegations regarding human rights issues over there. China has emphasized on the need to resume six-party talks. China has urged India to honor its commitments and cautiously handle issues related to the exiled Tibetans in India. Chinese have been paying attention to enhance ties with various countries including Serbia, Argentina, Canada, Iceland, Ukraine, Singapore, Germany, Ecuador, Qatar and ASEAN.

**Economic Front:**

Growth of China's foreign exchange reserves has been slow as the total reached 2.4543 trillion U.S. dollars by the end of June. The value of welfare lottery sales in China as of the end of this May has reached almost 450 billion Yuan (66 billion U.S. dollars), since the welfare program was first launched 23 years ago, helping to raise about 149 million Yuan for the public welfare fund. China's exports for June hit a record high since July 2008 and the trade surplus also surged to the highest this year. China has said its economic growth slowed in the second quarter of the year, as massive stimulus spending was scaled back and moves to rein in soaring property prices started to bite. Its GDP however maintained double-digit growth for the third quarter in a row, expanding at an annual rate of 10.3% in the three months to June. China's consumer price index (CPI), the main gauge of inflation, rose 2.9 percent year on year in June. China's fiscal revenue rose 27.6 percent in the first six months of 2010 from a year earlier to 4.34 trillion Yuan.

At the same time increase in the stock exchange of Hong Kong and Macau has been observed.

**Social Front:**

Chinese President has urged the Communist Party of China and the whole country to give priority to education in their work, in order to build a moderately prosperous society, push forward socialist modernization, and achieve the great rejuvenation of the Chinese nation. Chinese Foreign Minister has called on all countries not to provide stage for Tibetan separatists, saying Tibet-related issues are purely China's internal affairs. China and the European Union have strengthened their cooperation in space technology to better monitor climate change and improve the ability to prevent and control natural disasters. China has approved renewing the operation license of Google's China web site.