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Business & Politics in the Muslim World
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Central Asia
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Azerbaijan

Political Front

• Socialist International to observe upcoming parliamentary elections in Azerbaijan
The Socialist International will participate as an observer in the upcoming parliamentary elections in Azerbaijan, Luis Ayala, Secretary General of the Socialist International said today.

Geo Strategic Front

- Pakistan supporting Azerbaijan on return of Azeri territories illegally occupied by Armenia"

On Firday, Prime Minister Syed Yusuf Raza Gilani said Pakistan is keen to further strengthen its close brotherly relations with Azerbaijan, based on historical, cultural and religious common realities.

- U.S. - Azerbaijan relations at risk of failing?

Though sometimes overlooked, Azerbaijan's geopolitical status far outweighs its size. Located just north of Iran and just south of the volatile Caucasus, it sits on the Caspian Sea, astride major oil and gas transshipment routes that avoid Russia. While not a perfect democracy, Azerbaijan clearly presents an alternative to the theocracy advocated by Iran and militant Islamists, as well as to the Central Asian alternative of increasingly brutal authoritarianism. Azerbaijan is therefore important geopolitically, in terms of energy access, and as an acceptable if not perfect model of governance.

- Turkish President Gul to visit Azerbaijan

Turkish President Abdullah Gul will pay an official visit to Azerbaijan soon, Turkish Foreign Trade Minister Zafer Caglayan said today. Turkish minister and a large delegation of businessmen arrived in Baku July 28 to hold various meetings and negotiations.

- Azerbaijan Confirms New Karabakh Peace Plan Presented

Russian President Dmitry Medvedev (right) greets the presidents of Armenia and Azerbaijan, Serzh Sarkisian (left) and Ilham Aliyev, in St. Petersburg on June 17.

YEREVAN -- Azerbaijan has confirmed Armenian claims that Russian President Dmitry Medvedev presented his Armenian and Azerbaijani counterparts with a new plan to end their conflict over the breakaway Azerbaijani region of Nagorno-Karabakh in St. Petersburg last month, RFE/RL's Armenian Service reports.

- Turkish and Azerbaijani governments intend to establish high-level strategic council

Turkey and Azerbaijan reached agreements to extend relations and to increase trade turnover, said Turkish minister for foreign trade Zafer Caglayan at a press conference on Thursday.

- Karabakh Armenians Buoyed By Kosovo 'Precedent'

STEPANAKERT, Nagorno-Karabakh -- Nagorno-Karabakh's ethnic Armenian leadership has welcomed a United Nations court ruling upholding the legitimacy of Kosovo's secession from Serbia and affirmed its applicability to the Armenian-Azerbaijani conflict, RFE/RL's Armenian Service reports.

Economic /Energy Front

Social Front

- Azerbaijani Journalists 'Assaulted' In Baku

An opposition journalist in Azerbaijan says he and another reporter were assaulted on the outskirts of Baku, RFE/RL's Azerbaijani Service reports.

- Azerbaijani President Takes Up Twitter

Another world leader is utilizing the power of social networking. First it was Medvedev, now it's Azerbaijani President Ilham Aliyev.

Kazakastan

Political Front

Geo Strategic Front

- Kazakhstan And The OSCE Can Take The Lead In Kyrgyzstan

This summer's Kyrgyz-Uzbek clashes in southern Kyrgyzstan presented the gravest threat to Central Asian security since the Tajik civil war of the 1990s. Reportedly, about 3,000 people died and more than 300,000 were displaced in the violence.

- US President won't attend OSCE summit in Astana - source

. Interfax- Kazakhstan – The President of the United State Barack Obama will not take part in the OSCE heads of state summit in Astana, a source close to the Kazakh diplomatic circles told Interfax-Kazakhstan.

Economic /Energy Front

- Kazakhstan's economy grows 8 percent in first half of 2010

(SRI) - Kazakhstan's economy grew at an annual rate of 8.0 percent in the first half of 2010, driven by higher oil prices and a recovery in domestic spending, Economic Development and Trade Minister Zhanar Aitzhanova said on Tuesday at a government meeting in Astana.

- Nazarbaev Circulates His Currency Vision

Kazakh President Nursultan Nazarbaev appears keen to introduce a common global currency. One way or another.

"I continue to insist that the new global economy requires a new global currency," Nazarbaev said during a recent economic forum in the Kazakh capital, Astana. He also "continued to insist" on the topic during an informal meeting of the OSCE Foreign Ministers in Almaty earlier this month.

Social Front

- Inmate Who Filmed 'Kazakh Prison Video' Found Hanged In Jail

QARAGHANDY, Kazakhstan -- The inmate in Kazakhstan's notorious Dolinka prison who shot a video showing another inmate being beaten by a jail guard in May was found hanged in the penitentiary last month, RFE/RL's Kazakh Service reports.

- Turkey Extradites Kazakhstan's Former Antidrug Czar

ASTANA -- Turkey has extradited Kazakhstan's former antidrug czar who has been charged with abuse of power, RFE/RL's Kazakh Service reports.

Asqar Isagaliev, who headed Kazakhstan's Committee for the Fight Against Illegal Drugs in 2008-09, was detained in Antalya on January 9. Bilateral talks about his extradition had continued until he was extradited on July 20.

- Jailed Kazakh Journalist Appeals To UN

Jailed Kazakh journalist Ramazan Eserepov has written an appeal to the United Nations' Committee for Human Rights about his case, RFE/RL's Kazakh Service reports.

Kyrgyzstan

Political Front

- Ahead Of Kyrgyz President's Visit, Osh Mayor Claims People's Support

Melis Myrzakmatov, the mayor of Kyrgyzstan's second-largest city, Osh, has made his position clear ahead of a visit by the country's president that could result in his firing.

- Anti-OSCE Police Protests Held In Kyrgyz Cities

BISHKEK -- Demonstrations against the deployment of an international police force to Kyrgyzstan's southern regions have been held in several Kyrgyz cities, RFE/RL's Kyrgyz Service reports.

- Otunbaeva Visits Osh Amid Protests Against OSCE Police Deployment

Kyrgyz President Roza Otunbaeva is in the southern city of Osh, where she met with the city mayor as well as local residents. Otunbaeva's meeting took place in the offices of the

mayor, Melis Myrzakmatov, whom Otunbaeva has criticized for his handling of last month's ethnic violence in the city.

- Tensions Continue To Rise In Southern Kyrgyzstan

OSH -- Traffic jams are returning to the streets of Osh, restaurants are reopening, and, in some areas, people are rebuilding houses burned down just a few weeks ago. But in other neighborhoods, you can still smell smoke, water gushes from broken pipes, and many people live in tents, often in the courtyards of their former homes.

Geo Strategic Front

- Clash between Uzbeks and Kyrgyz in Moscow

MOSCOW -- Violent clashes between Uzbek and Kyrgyz migrant workers in Moscow have left one person severely wounded, RFE/RL's Kyrgyz Service reports.

Dozens of ethnic Uzbeks and Kyrgyz clashed near the Profsoyuznaya subway station on the night of July 26. One of the participants in the clashes was hospitalized with knife wounds.

- Tajikistan Confirms Extradition Of Terror Suspects To Kyrgyzstan

DUSHANBE -- Tajikistan has confirmed that two men who were detained earlier this month in northern Tajikistan have been handed over to Kyrgyz authorities at Bishkek's request, RFE/RL's Tajik Service reports.

- Top U.S. Official Warns Of Islamic Extremist Threat To Southern Kyrgyzstan

WASHINGTON -- Robert Blake, the U.S. Assistant Secretary of State for South and Central Asian Affairs, says Kyrgyzstan must be wary of attempts by Afghan Islamic militants to try to enter the fragile southern part of the country through its border with Tajikistan.

Economic /Energy Front

- International Donors Pledge Over \$1 Billion Aid To Kyrgyzstan

BISHKEK -- At a donors conference in Bishkek, representatives of 14 countries and 15 international organizations have pledged \$1.1 billion in response to appeals from Kyrgyz interim government leaders.

Social Front

- Children From Southern Kyrgyzstan Vacation In Kazakhstan

OSH, Kyrgyzstan -- Fifty children between 10 and 15 years of age have left southern Kyrgyzstan for vacation and medical treatment in Kazakhstan, RFE/RL's Kyrgyz Service reports

Tajikistan

Political Front

- Tajik Prosecutor Targets Forerunner's Son

The son of former Tajik Prosecutor-General Bobojon Bobokhonov has been arrested on corruption charges, the latest in a string of moves initiated against current or former judicial officials by Bobokhonov's successor.

Geo Strategic Front

- Tajikistan Confirms Extradition Of Terror Suspects To Kyrgyzstan

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Economic /Energy Front

- Tajikistan to participate in ADB-supported regional business development forum

DUSHANBE, July 23, 2010, Asia-Plus -- The Asian Development Bank (ADB), in cooperation with China, is organizing a Central Asian Regional Economic Cooperation (CAREC) Business Development Forum in Urumqi on July 29-30, 2010, according to ADB's Tajikistan resident Mission (TJRM).

- China's CNMIM expected to explore and develop gold deposit in Tajikistan

DUSHANBE, July 30, 2010, Asia-Plus -- China Nonferrous Metals Int'l Mining Co. Ltd (CNMIM) is expected to explore gold deposit in Tajikistan.

- Tajik Hydropower Station To Displace Thousands

DUSHANBE -- Tajik Labor Minister Makhmadamin Makhmadaminov says that thousands of people are being relocated in order to complete construction of the Roghun hydropower plant, RFE/RL's Tajik Service reports.

- Tajik National Bank Head: Counterfeit Money Printed In Afghanistan

DUSHANBE -- The head of the Tajik National Bank has warned people that forged Tajik somonis are circulating in Tajikistan, RFE/RL's Tajik Service reports.

Social Front

- Tajikistan Raises Legal Age For Women To Marry

DUSHANBE -- Tajik President Emomali Rahmon has signed a law amending the country's Family Code to raise the legal age for women to marry from 17 to 18 years, RFE/RL's Tajik Service reports.

- Tajikistan Sees Decline In Afghan Drug Volumes

Tajikistan is expecting a decline in the volume of drugs trafficked from Afghanistan this year due to better policing and a fungus that has attacked the opium poppy crop, according to Khalimdjon Makhmudov, who heads the operations and search department at Tajikistan's Drug Control Agency.

Turkmenistan

Political Front

Geo Strategic Front

- Direct inter-regional ties account for 70 percent of Turkmen-Russian trade turnover

Turkmenistan's direct contacts with individual regions of the Russian Federation play an important role in the Turkmen-Russian co-operation (about 70 per cent of trade turnover). According to the press service of the upper chamber of the Russian parliament, this data was cited by the deputy chairman of the Council of Federation, Svetlana Orlova at a meeting with the delegation of the Committee on International and Inter-parliamentary Relations of the Mejlis of Turkmenistan, who arrived in Moscow on a visit.

Economic /Energy Front

- Turkmenistan increases production of liquefied gas

The improvement of technological processes and use of advanced methods of modern production have led to a record production of liquefied gas at the Nayyp gas-processing plant under the state concern Turkmengaz.

- MTS launches project on use of alternative sources of energy in Turkmenistan

Specialists "MTS Turkmenistan" company have launched the first platform using a set of alternative sources of power (ASP) to provide remote settlements in eastern Turkmenistan with mobile communication. The set is located in Koytendag district of

Lebap province, near the villages of Koiten and Gurshunmagdan in the territory of National Park "Koytendag".

- Exports of Turkmen gas to China to increase by December 2012

The State Concern "Turkmengaz" will finance the construction of a gas compressor station with the capacity of 30 bcm a year at the gas field "Malay" in Lebap province.

This was announced by the Director of the State Agency for the Management and Use of Hydrocarbon Resources Yagshigeldy Kakayev at a meeting of the Cabinet of Ministers of Turkmenistan.

Social Front

- President of Turkmenistan sends condolences to President and people of Pakistan
Turkmen President Gurbanguly Berdimuhamedov has sent condolences to President of the Islamic Republic of Pakistan Asif Ali Zardari in connection with the airliner's crash near the city of Islamabad, which resulted in numerous human casualties and injuries.

Uzbekistan

Political Front

- Reconstruction Plan To "Ethnically Cleanse" Osh, Uzbeks Fear

Osh will be rebuilt into a "modern metropolis," moving families whose houses were damaged during last month's violence onto plots outside of town. Many Uzbeks oppose the scheme. They suspect some officials helped organized the June violence, which gutted Uzbek neighborhoods in central Osh, to make way for extravagant modern government buildings and housing projects.

Geo Strategic Front

- Uzbeks, Kyrgyz Clash In Moscow

MOSCOW -- Violent clashes between Uzbek and Kyrgyz migrant workers in Moscow have left one person severely wounded, RFE/RL's Kyrgyz Service reports.

Dozens of ethnic Uzbeks and Kyrgyz clashed near the Profsoyuznaya subway station on the night of July 26. One of the participants in the clashes was hospitalized with knife wounds.

Economic /Energy Front

- Uzbekistan: The Central Bank forces the credit unions to decrease the interest rates on loans and deposits

Ferghana.Ru learned from private sources that the Central Bank in Uzbekistan puts pressure on the credit unions. The Central Bank sent the message to all credit unions in the republic with FOU (For Office Use) in the subject, dated July 19, 2010, according to which since July 20, 2010 all credit unions must set the interest rates for deposits at 14-16 percent and for loans at 18-20 percent.

Social Front

- The European human rights court prohibited Ukraine to return refugees to Uzbekistan

On July 26, 2010 the European Court for human rights (the Strasburg court) applied rule 39 and prohibited Ukraine to return 4 arrested Uzbek refugees to Uzbekistan, the Without Borders project informed Ferghana.Ru on July 30.

Detailed Report

Azerbaijan

Political Front

- Socialist International to observe upcoming parliamentary elections in Azerbaijan

The Socialist International will participate as an observer in the upcoming parliamentary elections in Azerbaijan, Luis Ayala, Secretary General of the Socialist International said today.

"We think to take part in the elections as an observer. We will have an observation mission, consisting of 20-25 people. During a meeting with the Azerbaijani President Ilham Aliyev and Foreign Minister I was informed that all conditions will be created for the Socialist International's participation in the election as an observer," Ayala said.

The holding of parliamentary elections in Azerbaijan is scheduled for Nov. 7, 2010. Previous legislative elections were held in November 2005. Parliamentary elections in Azerbaijan are held by the majority system in 125 electoral districts.

Geo Strategic Front

- Pakistan supporting Azerbaijan on return of Azeri territories illegally occupied by Armenia"

On Friday, Prime Minister Syed Yusuf Raza Gilani said Pakistan is keen to further strengthen its close brotherly relations with Azerbaijan, based on historical, cultural and religious common realities.

Prime Minister noted that Pakistan was one of the first few countries to recognize Azerbaijan, on its independence, and has been steadfastly supporting Azerbaijan on Nagorno-Karabakh issue on return of other Azeri territories illegally occupied by Armenia, Pakistan's official APP news agency reported.

He also appreciated Azerbaijan's continuous support to the cause of Kashmir and for the crucial role it has played in OIC's Contact Group on Kashmir in advocating resolution of this dispute as on the basis of UN Security Council's resolutions.

The Prime Minister was talking to Dr Eynulla Madatli, the outgoing Ambassador of Azerbaijan who paid a farewell call on him at the Prime Minister's Secretariat. Gilani also congratulated the Azeri Ambassador on successful completion of his mission in Islamabad during which people to people and high level contacts between the two countries saw a marked increase and resultantly the bilateral cooperation expanded in trade, economic, defence and cultural fields.

He hoped that summit level visits between the two sides would be planned and exchanged in the near future to provide new impetus for enhanced cooperation. He also appreciated Ambassador of Azerbaijan's contributions in construction of Azeri Embassy Complex and a Girls High School in Earthquake affected area of AJK.

Minister expressed hope that the next round of Joint Ministerial Commission will be held in Baku later this year to finalize possible joint ventures between the two sides in oil and gas, energy, agriculture, construction machinery, light industries and defence production sectors. Gilani wished the Ambassador the very best on his next assignment and hoped that he will continue to play a role for promoting Pakistan-Azerbaijan ties in his future career as well.

Ambassador Dr Eynullah Madatli conveyed the best wishes and regards of his President to the Prime Minister and his own profound gratitude for the support and assistance given to him by the Government of Pakistan during his eight years tenure of duty as Ambassador of his country.

- U.S. - Azerbaijan relations at risk of failing?

Though sometimes overlooked, Azerbaijan's geopolitical status far outweighs its size. Located just north of Iran and just south of the volatile Caucasus, it sits on the Caspian Sea, astride major oil and gas transshipment routes that avoid Russia. While not a perfect democracy, Azerbaijan clearly presents an alternative to the theocracy advocated by Iran and militant Islamists, as well as to the Central Asian alternative of increasingly brutal authoritarianism. Azerbaijan is therefore important geopolitically, in terms of energy access, and as an acceptable if not perfect model of governance.

Yet, Baku has been moving away from the United States. Recently, Baku cancelled joint maneuvers with the U.S. military. At the same time Azerbaijan has been increasing its cooperation with Iran and Russia on energy and other matters. Beyond this, rhetoric from high level Baku officials has become progressively more anti-American. Though U.S. policy makers have sought to discount the significance of these signals, there is little doubt that U.S. – Azerbaijani relations are undergoing a change for the worse. The questions are why and what can be done.

Azerbaijan's post-independence quest for a closer relationship with the U.S. was driven by at least two objectives. First, and most importantly, Azerbaijan sought to reclaim territory lost to Armenia in the Nagorno – Karabakh region of Azerbaijan and seven regions adjacent to it. Second, Baku sought economic growth through integration with the West. While Azerbaijan has made progress in accomplishing this second goal, it has been bitterly disappointed on the issue of Nagorno-Karabakh.

The hopes Azerbaijan pinned on its relationship with the U.S. were demonstrated in 1994 when the U.S. signed an agreement for cooperation in the energy sector. Though Baku sought economic benefits from this deal, it realized the agreement had geopolitical ramifications as well. Azerbaijan supported U.S. interests by promoting the first pipelines in the post-Soviet Eurasia that avoided Russian territory. The Baku – Supsa and Baku – Tbilisi – Ceyhan oil pipelines and Baku – Tbilisi – Erzurum gas pipeline are products of that era. As demonstrated in Ukraine, Belarus, Georgia, Kyrgyzstan, and other former – Soviet republics, displeasing Russia can have severe ramifications for nearby states. Yet Azerbaijan was willing to take the risk.

Following the Sept.11 attacks against the U.S., Azerbaijan cooperated again. Baku opened its airspace for the transfer of coalition troops to Afghanistan, contributed peacekeeping forces to Afghanistan and Iraq, and supported U.S. efforts to combat terrorism and the proliferation of weapons of mass destruction.

Azerbaijan's close engagement with the U.S. in the energy and security sectors satisfied many of Washington's desires. But from Baku's perspective there was no quid pro quo – there was no progress toward the resolution of its conflict with Armenia over Nagorno – Karabakh, a key objective on which engagement rested.

There have been several disappointments in U.S. policy for Azerbaijan over the last two decades. First, in 1992 the U.S. Congress adopted Section 907 of the Freedom Support Act, making Azerbaijan the only country in the region following the dissolution of the Soviet bloc deprived of the U.S. financial assistance. Second, Washington has never recognized Armenia as an aggressor state in the occupation of an inalienable part of Azerbaijani territory and even voted against the March 2008 Baku-sponsored U.N. General Assembly resolution reaffirming the territorial integrity of Azerbaijan and “demanding the immediate withdrawal of all Armenian forces from all occupied territories there.” Third, the U.S. Congress has repeatedly offered Armenia far more aid

than Azerbaijan even though Azerbaijan has diligently supported U.S. interests in the region. Even more disturbing, the U.S. has been offering separate financial support to Nagorno-Karabakh.

Since President Obama's election, U.S. policy toward the region has been marked by increasing disinterest, as reflected in no less than five policy shifts.

First, the replacement of Matthew Bryza by Robert Bradtke as a U.S. co-chair in the OSCE Minsk Group indicates a more passive approach to both the Minsk Group and the Nagorno – Karabakh negotiation process. France and Russia, the other two co-chairs in the Minsk Group, are both involved in the Nagorno – Karabakh negotiation process at the presidential level. Conversely, the U.S. seems apathetic.

Second, the U.S. has increased its criticism of Azerbaijan's democracy and human rights record, but has failed to apply a similar approach to Armenia, especially given the protests and deaths in the wake of the Feb. 18, 2008 Armenian presidential elections.

Third, since Anne Derse left Baku for Vilnius, the U.S. kept the post of its ambassador to Azerbaijan vacant for nearly a year, something many in Baku have assessed as a sign of the U.S. indifference toward Azerbaijan. It took Washington over 10 months to finally name its new ambassador to Azerbaijan.

Fourth, the U.S. failed to invite Azerbaijan to the nuclear security summit Washington hosted on 12-13 April, the biggest international meeting hosted by the U.S. since 1945. This was also viewed in Baku as a reflection of Washington's growing neglect toward Baku, especially given Azerbaijan's potential role in non-proliferation efforts. This sense of disappointment was even deeper given the fact that Azerbaijan's two regional neighbours, Armenia and Georgia, did receive invitations to attend the summit.

Finally, the largest source of disappointment came as a result of the Obama administration's efforts in 2009 to push hard for the Armenian – Turkish rapprochement. From Baku's perspective, the resolution of the Nagorno – Karabakh conflict should be linked to this rapprochement lest the Armenian's feel no pressure to settle the matter. The Armenian – Turkish engagement deprives Azerbaijan of the little leverage it possesses to encourage Armenia to withdraw from the Azerbaijani territories it occupies. The U.S. has seemingly penalized Baku's growing constructiveness in the Nagorno – Karabakh negotiations and rewarded Armenia's obstructionist approach. Unlike Baku, Armenia has so far failed to approve the renewed version of the Madrid principles regarding settlement of this conflict. In Baku, this last policy shift is viewed as a victory for the Armenian lobby and narrow domestic political considerations in the U.S.

It is thus U.S. reluctance to become more constructively involved with Baku's outstanding security problems, especially the Nagorno – Karabakh conflict and its ignorance regarding the rationale driving Azerbaijan's quest to integrate with the West that have been key in alienating Baku in recent months. To make sure that these tactical shifts do not translate into a strategic transformation of Baku's foreign policy as well as into a deeply embedded mistrust of the U.S. amongst the society at large, the U.S. should reassess its policy toward a valuable partner on a key international fault line. The recent nomination of Matthew Bryza as Washington's new ambassador to Azerbaijan is a first move in the right direction, but much more remains to be done to salvage this important relationship.

- Turkish President Gul to visit Azerbaijan

Turkish President Abdullah Gul will pay an official visit to Azerbaijan soon, Turkish Foreign Trade Minister Zafer Caglayan said today. Turkish minister and a large delegation of businessmen arrived in Baku July 28 to hold various meetings and negotiations.

On July 28, President of Azerbaijan Ilham Aliyev received Zafer Caglayan. The sides discussed expansion of economic relations between Ankara and Baku, AzerTAj State News Agency reported.

President Aliyev noted Azerbaijan and Turkey had opportunities to expand the economic cooperation even more which he described as "good".

Azerbaijan and Turkey are successfully cooperating in the implementation of major regional economic projects, such as Baku - Tbilisi - Ceyhan oil pipeline, Baku - Tbilisi - Erzurum gas pipeline and the construction of the Baku - Tbilisi - Kars railway.

- Azerbaijan Confirms New Karabakh Peace Plan Presented

Russian President Dmitry Medvedev (right) greets the presidents of Armenia and Azerbaijan, Serzh Sarkisian (left) and Ilham Aliyev, in St. Petersburg on June 17.

YEREVAN -- Azerbaijan has confirmed Armenian claims that Russian President Dmitry Medvedev presented his Armenian and Azerbaijani counterparts with a new plan to end their conflict over the breakaway Azerbaijani region of Nagorno-Karabakh in St. Petersburg last month, RFE/RL's Armenian Service reports.

Elxan Poluxov, a spokesman for Azerbaijan's Foreign Ministry, was reported as saying on July 22 that the "working proposals" that were welcomed by Yerevan were unacceptable to Baku.

Azerbaijani officials had previously denied that a new plan had been presented by Medvedev. Poluxov claimed Russia drafted the new plan unilaterally without consulting the United States or France, the two other co-chairs of the OSCE Minsk Group working to resolve the Nagorno-Karabakh conflict. "Those working proposals were prepared only by one party, and the Minsk Group format was thus not observed," Poluxov told day.az. "In essence, the proposals that were made in St. Petersburg [on June 17] change the whole philosophy of the negotiating process." Armenian President Serzh Sarkisian and Foreign Minister Eduard Nalbandian have described Medvedev's proposals as a "new version" of the Basic Principles of the conflict's resolution, which the mediators had first formally proposed in Madrid in 2007 and are therefore known as the "Madrid Principles." Other government figures in Yerevan have claimed that Azerbaijani President Ilham Aliyev cut short his visit to St. Petersburg and ordered an attack on a Karabakh Armenian army outpost the next day to demonstrate his frustration with the latest turn in the negotiating process. Sarkisian said late on July 21 that the peace process would remain deadlocked unless Azerbaijan followed Armenia's example and accepts the St. Petersburg proposals as "a basis for negotiations." In another development, Aliyev today bestowed the title of "national hero" upon Mubariz Ibrahimov, the Azerbaijani soldier killed in the June 18-19 firefight with ethnic Armenian forces in northern Karabakh. He also ordered his government to name a school and a street in Ibrahimov's native Bilyasuvar district after the soldier. Ibrahimov was reportedly shot dead in Armenian-controlled territory, something presented by the authorities in Karabakh and Armenia as further proof that the fighting -- which also left four Armenian soldiers dead -- was provoked by Azerbaijani forces. The Karabakh Armenian military has still not returned his body.

- Turkish and Azerbaijani governments intend to establish high-level strategic council

Turkey and Azerbaijan reached agreements to extend relations and to increase trade turnover, said Turkish minister for foreign trade Zafer Caglayan at a press conference on Thursday.

The minister said he met with President Ilham Aliyev, Prime Minister Arthur Rasizadeh and other officials during his visit to Azerbaijan and discussed series important issues, including extension of economic relations. The minister said he arrived in Azerbaijan together with 130-member delegation, including representatives of more than 80 companies, 10 organizations, as well as media officials. Nearly 150 Azerbaijani business people joined Azerbaijan-Turkey business forum. More than 500 bilateral meetings were held during the event and ten companies signed totally \$10-million agreements.

Caglayan said his country welcomed economic growth in Azerbaijan. He said Turkish and Azerbaijani citizens have the same view on the Nagorno-Karabakh problem. Caglayan said his country was interested in extension of relations with Nakhchivan Autonomous Republic and Turkish Air Lines was looking forward to increase the number of flights from 3 to 4 in a week.

"The trade turnover between the countries is \$2.2 billion. This is good figure, but we have larger opportunities and potential to increase it", said the minister. He added, that the Turkish Business Bank was planning to open its office in Azerbaijan and it informed the central Bank of Azerbaijan about that. Turkish travel companies can contribute to the development of winter projects in Azerbaijan.

The Turkish minister added that he negotiated establishing the High-Level Strategic Council during his meetings in Baku. Turkey and Azerbaijan reached an agreement to restore the committee of government officials, which were investigating disputes between the companies.

- Karabakh Armenians Buoyed By Kosovo 'Precedent'

STEPANAKERT, Nagorno-Karabakh -- Nagorno-Karabakh's ethnic Armenian leadership has welcomed a United Nations court ruling upholding the legitimacy of Kosovo's secession from Serbia and affirmed its applicability to the Armenian-Azerbaijani conflict, RFE/RL's Armenian Service reports.

Bako Sahakian, leader of the breakaway Azerbaijani region of Nagorno-Karabakh, described last week's nonbinding ruling by the International Court of Justice (ICJ) as an "important event" at a press conference in Stepanakert on July 23.

He said it will create a "new political situation" in the Karabakh conflict zone.

"That decision has an extremely important legal, political, and moral significance and sets a precedent that cannot be confined to Kosovo," the unrecognized Nagorno Karabakh Republic's Foreign Ministry said in a statement on July 24.

A similar statement was adopted by Karabakh's three main political parties.

Armenia hailed the ICJ judgment shortly after its announcement on July 22. Azerbaijan insisted the next day, however, that the ICJ ruling applies only to Kosovo and Serbia and cannot have any repercussions for the Karabakh conflict.

Sahakian made clear the authorities in Stepanakert will not press Yerevan to formally recognize Nagorno-Karabakh as an independent state after the ICJ ruling.

"After all, Armenia bears responsibility before the international community, and you can't blame Armenia's political leaders for not recognizing [Nagorno-Karabakh's]

independence," he said. "In this regard, we have never expressed our discontent with Armenia's leadership."

Sahakian added that "we believe that sooner or later we will approach [the launch of] a recognition process by Armenia."

Economic /Energy Front

Social Front

- Azerbaijani Journalists 'Assaulted' In Baku

An opposition journalist in Azerbaijan says he and another reporter were assaulted on the outskirts of Baku, RFE/RL's Azerbaijani Service reports.

Elmin Badalov, who writes for the opposition daily "Yeni Musavat," told RFE/RL that he and Anar Gerayli from the newspaper "Milli Yol" were taking pictures of luxury villas when several men emerged from cars and began to beat and kick him.

He said Gerayli was pushed and knocked to the ground, but was unhurt.

Badalov was investigating a report that the villas belong to Transportation Minister Ziya Mammadov. Badalov said the men took his camera and erased the photos.

He added that the two were held for more than three hours. He said the unidentified men told Badalov and Gerayli that they would be "watching them for the next six months."

Badalov received first aid for his injuries after returning to "Yeni Musavat's" office. "Yeni Musavat" said it would lodge a complaint with the police about the July 28 incident. An Interior Ministry official told RFE/RL it would investigate the claims by Badalov if a complaint was filed.

- Azerbaijani President Takes Up Twitter

Another world leader is utilizing the power of social networking. First it was Medvedev, now it's Azerbaijani President Ilham Aliyev.

From news.az:

The microblog will post references to presidential speeches, events attended by the president and video material. Subscribers will also be able to watch statements by President Aliyev.

Sources in the presidential administration said that the Azerbaijani version would allow closer ties to be developed with the public.

Kazakastan

Political Front

Geo Strategic Front

- Kazakhstan And The OSCE Can Take The Lead In Kyrgyzstan

This summer's Kyrgyz-Uzbek clashes in southern Kyrgyzstan presented the gravest threat to Central Asian security since the Tajik civil war of the 1990s. Reportedly, about 3,000 people died and more than 300,000 were displaced in the violence. While some stability emerged after the bloodshed and following a national referendum legitimizing the new government, the urgent needs for speedy reconstruction of the destroyed infrastructure and for reconciliation between the two ethnic groups present daunting security challenges.

Kazakhstan -- as the first Central Asian state to chair the Organization for Security and Cooperation in Europe (OSCE) and Kyrgyzstan's key regional economic partner -- is

well-positioned to lead these efforts, despite Astana's purportedly ineffective and PR-driven response to the crisis.

At the outset, Kazakhstan played a key role in resolving the temporary standoff between ousted Kyrgyz President Kurmanbek Bakiev and the new interim government that came to power following the riots on April 7. This confrontation was undermining the legitimacy of the government at a time when Bakiev still commanded support in some parts of the south and intended to hold on power. To deescalate the situation, Kazakhstan sent Zhanybek Karibzhanov, special envoy of the OSCE chairman in office, to Bishkek and worked closely with international organizations and regional actors.

Kazakh Kudos?

On April 15, Kazakh President Nursultan Nazarbaev ordered Kazakh special forces to fly into southern Kyrgyzstan and bring Bakiev to Kazakhstan before later sending him on to Belarus. "It was extremely hard to make an agreement with the new government to get flight permission for our planes," Nazarbaev recalled, "And it was hard to convince President Bakiev to leave the country." After the operation Nazarbaev praised the servicemen with what many believe was a PR-loaded statement, saying they had prevented a "civil clash from growing into a clash between the southern and northern parts of the country."

The operation scored points for Nazarbaev, who purportedly pays excessive attention to his personal image and the international standing of Kazakhstan – more so against the backdrop of Kazakh chairmanship in the OSCE. "The OSCE presidency was supposed to signal Kazakhstan's emergence on the international stage. In fact they've done very little [concerning Kyrgyzstan]. They seem to be mostly interested in somehow burnishing their own image," said Paul Quinn-Judge, the regional project director of the International Crisis Group.

But while it will never be known whether Astana indeed averted a clash between the two regions, Kazakhstan's actions in diffusing the situation at that point, even with the alleged PR spin, speak for themselves. The level of trust and the "green light" for such a mission given by Washington and Moscow reinforce the view that no other entity was available or willing to play such a role. Referring to the crisis, Nazarbaev stated that Kazakhstan had become a key player in regional stability and "is already facilitating constructive cooperation between the United States, Russia, and China in Central Asia."

However, Astana's responses to the events in Kyrgyzstan were not always positive. Like other countries in the region, Kazakhstan was keen on preventing a similar "transfer of power" at home, so Astana closed its border with Kyrgyzstan for several days after the April 7 protests and downplayed the democratic impulses of the unrest. Nazarbaev also did not meet with provisional Kyrgyz President Roza Otunbayeva until July 4, the day after her inauguration. The border closure damaged Kyrgyzstan's economy, and Nazarbaev's cold shoulder undermined the shaky interim government at a time when it faced a plethora of unaddressed economic and social problems.

Kazakhstan instituted similar measures when the Kyrgyz-Uzbek clashes flared up in the southern Kyrgyzstan. As the violence continued, none of the regional security institutions –the Collective Security Treaty Organization (CSTO), the Shanghai Cooperation Organization (SCO), the OSCE -- or main regional actors (Russia, the United States, China) coordinated an intervention in Kyrgyzstan, despite pleas from the Kyrgyz interim

government and the dire security situation that eventually left hundreds dead and led to displacement of hundreds of thousands more.

Ready For Rehab

Some observers have concluded that lack of an effective response to the Kyrgyz crises is a reflection of Kazakhstan's unpreparedness to chair the OSCE. But to expect Kazakhstan to have played a major unilateral or multilateral stabilization role during these events is wishful thinking at best, all more so considering the inadequate responses from regional security institutions and the global powers.

To criticize Astana's chairmanship of the OSCE, an organization promoting security and cooperation from Vancouver to Vladivostok, is not entirely fair either. The OSCE comprises 56 member states that share joint responsibility for actions and inactions of the institution while operating exclusively by consensus. Kazakhstan, or any other chair for that matter, would have had a difficult job coordinating any rapid joint response.

But one thing is reassuring. Kazakhstan has every opportunity to lead in reconstruction and reconciliation efforts in Kyrgyzstan, both unilaterally and in the OSCE framework. As it seeks to do so, it should benefit from the OSCE's postconflict rehabilitation experience while working to enhance the conflict-prevention capacity of the institution.

The agenda coordinated by Kazakhstan for the heads of state OSCE summit that is planned for October should necessarily focus on ethnic and religious tolerance and conflict resolution and prevention, as well as stability measures in Kyrgyzstan, among other important issues. About 10 days after the violence subsided in Kyrgyzstan, Astana hosted a previously planned OSCE conference on tolerance and nondiscrimination.

"It is important that the political will of the 56 member states now be mobilized to offer Kyrgyzstan the assistance it so urgently needs," said Kazakh Foreign Minister Kanat Saudabaev.

Joint Effort

Kazakhstan and the OSCE should work to bolster security along Kyrgyzstan's borders to prevent regional terrorist and criminal networks from capitalizing on the instability. Initiating cash-for-weapons programs or similar initiatives in Kyrgyzstan might be another area of cooperation. As the OSCE chairman, Astana should also vigorously promote the work of the international inquiry commission headed by Kimmo Kiljunen, the special representative for Central Asia of the OSCE Parliamentary Assembly, which will look into the June events in Kyrgyzstan.

It should further encourage the implementation of the agreement in principle reached by OSCE foreign ministers on July 16-17. That agreement envisions an unarmed 52-member Police Advisory Group to monitor the situation in Kyrgyzstan where ethnic tensions remain high.

Reconciliation is a difficult process and should go hand in hand with the rehabilitation of damaged and destroyed infrastructure. Doing so would provide the hope of a better future to locals of both ethnic groups. To that purpose, Kazakhstan recently announced a unilateral \$10 million package of aid for Kyrgyzstan. It is further requesting international support for the upcoming donor conferences in Bishkek and Astana.

Kazakhstan and Kyrgyzstan have also set up a joint working group to stabilize the Kyrgyz economy and allocate funding for reconstruction projects. Some 2,500 homes, more than 100 commercial buildings, and 10 government buildings were damaged or destroyed during the conflict. The overall damage is estimated at \$71 million.

As Kazakhstan continues to promote its enhanced role in Eurasia and global affairs, it should clearly see that its OSCE chairmanship is both a challenge and an opportunity. Utilizing each other's capacities to address global and regional security threats, including by supporting reconstruction and rehabilitation efforts in Kyrgyzstan, will position both Kazakhstan and the OSCE as serious actors in Central Asia, and particularly in Kyrgyzstan where no other entity appears willing to lead. Only this will reinforce the status of Kazakhstan's regional capabilities -- both perceived and real.

- US President won't attend OSCE summit in Astana - source

. Interfax- Kazakhstan – The President of the United State Barack Obama will not take part in the OSCE heads of state summit in Astana, a source close to the Kazakh diplomatic circles told Interfax-Kazakhstan.

“It has already been confirmed that Barack Obama will not participate in the summit. However the USA will be represented at a high level – most probably by the US State Secretary Hillary Clinton,” said the source.

Economic /Energy Front

- Kazakhstan's economy grows 8 percent in first half of 2010

(SRI) - Kazakhstan's economy grew at an annual rate of 8.0 percent in the first half of 2010, driven by higher oil prices and a recovery in domestic spending, Economic Development and Trade Minister Zhanar Aitzhanova said on Tuesday at a government meeting in Astana.

“The first-half results allow us to say that Kazakhstan's economy is on a growth trajectory,” Aitzhanova said. In the first half of 2009, Kazakhstan's GDP declined by 2.4 percent. Overall, Kazakhstan's economy grew 1.2 percent in 2009 and 3.2 percent in 2008, after averaging double-digit growth earlier in the decade.

Aitzhanova did not provide a forecast for full-year GDP growth. The IMF projects Kazakhstan's economy to grow at 4 percent in 2010, according to its latest assessment.

- Nazarbaev Circulates His Currency Vision

Kazakh President Nursultan Nazarbaev appears keen to introduce a common global currency. One way or another.

"I continue to insist that the new global economy requires a new global currency," Nazarbaev said during a recent economic forum in the Kazakh capital, Astana. He also "continued to insist" on the topic during an informal meeting of the OSCE Foreign Ministers in Almaty earlier this month.

In his article, "Keys To The Crisis," published in the Russian newspaper "Rossiiskaya gazeta" in February 2009, Nazarbaev suggested that a common currency could help lead the world out of financial turmoil.

Nazarbaev has suggested calling it the "akmetal," a word coined from the Greek "acme" - - meaning "supreme" or "best" -- and "capital."

The Kazakh president says that with the akmetal firmly in place, the term "akmetalism" could eventually replace "capitalism" to describe the world's dominant economic system.

In the past, he has suggested the creation of a common currency for the Eurasian Economic Community, a regional treaty comprising six former Soviet countries -- Russia, Belarus, and the Central Asian republics sans Turkmenistan.

Nazarbaev is by no means the first advocate of such a scheme. In the 1940s, leading British economist John Maynard Keynes suggested the creation of a common currency

along with a world central bank and an international clearing union to manage it. He wanted to call the common currency the "bancor."

Keynes' bancor never materialized, but his idea for world financial institutions eventually led to the creation of the so-called Bretton Woods institutions: the World Bank and the International Monetary Fund.

So, despite an apparent lack of supporters for the akmetal, don't kill Nazarbaev's idea just yet. Leave it to future economists and akmetalists to decide.

Social Front

- Inmate Who Filmed 'Kazakh Prison Video' Found Hanged In Jail

QARAGHANDY, Kazakhstan -- The inmate in Kazakhstan's notorious Dolinka prison who shot a video showing another inmate being beaten by a jail guard in May was found hanged in the penitentiary last month, RFE/RL's Kazakh Service reports.

Qaidar Sarin, the chief of the labor camp AK 159/6 in the central Kazakh town of Dolinka, told RFE/RL on July 22 that Maksim Kozhanov "committed suicide fearing that his prison term might be prolonged."

Sarin said Kozhanov, 30, was the prisoner who videotaped on a mobile phone a "fake beating of an inmate, Yevgeny Karaush, by a person dressed as a jail guard."

The video clip appeared on the Internet in May and prompted outrage from viewers and human rights organizations.

Dolinka officials said at the time and continue to claim that the video is a fake.

In June, Karaush, Kozhanov, and several other inmates all slit open their abdomens to protest the pressure exerted on them by the prison authorities, some of their relatives told RFE/RL.

The injured inmates were brought to a hospital in the neighboring town of Shakhtinsk for treatment.

But Karaush's mother, Galina Dobrovolskaya, told RFE/RL on July 22 that the inmates were not given full treatment for their injuries. She said they were returned to Dolinka where they were placed in solitary confinement.

"They were still sick and weak, but were placed in solitary confinement and interrogated for several hours a day," she said.

Dobrovolskaya said the jail authorities had to transfer Kozhanov and another protester to the penitentiary hospital due to their physical condition. She said sometime around June 10, "Kozhanov was found hanged."

Dobrovolskaya said Sarin told her that Kozhanov was a drug addict who killed himself because he could not cope with withdrawal symptoms.

- Turkey Extradites Kazakhstan's Former Antidrug Czar

ASTANA -- Turkey has extradited Kazakhstan's former antidrug czar who has been charged with abuse of power, RFE/RL's Kazakh Service reports.

Asqar Isagaliev, who headed Kazakhstan's Committee for the Fight Against Illegal Drugs in 2008-09, was detained in Antalya on January 9. Bilateral talks about his extradition had continued until he was extradited on July 20.

Isagaliev is facing charges of abuse of power resulting from a tender organized by his office in March 2006 for the construction of six checkpoints on Kazakhstan's borders with other Central Asian countries. The private company Aydar Qurylys Consulting won the tender and built the checkpoints. Investigators say the facilities turned out to be of such poor quality that they cannot be used.

The Kazakh Prosecutor-General Office's press service told journalists today that Isagaliev is being held at the National Security Committee's preliminary detention center in Astana.

- **Jailed Kazakh Journalist Appeals To UN**

Jailed Kazakh journalist Ramazan Esergepov has written an appeal to the United Nations' Committee for Human Rights about his case, RFE/RL's Kazakh Service reports.

Esergepov, the founder and chief editor of the Almaty-based "Alma-Ata Info," was sentenced last year to three years in prison for revealing state secrets in his newspaper in 2008. He says the case against him is politically motivated.

Kazakh authorities declined to release him on parole this year.

Esergepov protested the verdict against him and what he called pressure imposed on him by prison officials after he launched hunger strikes earlier this year.

His wife, Raushan Esergepova, delivered his appeal to Viktoria Tyuleneva, the chief of the Kazakhstan Bureau for Human Rights in Almaty, on July 28. The bureau will forward the appeal to the UN.

Kazakhstan is the current chairman of the Organization for Security and Cooperation in Europe (OSCE).

Kyrgyzstan

Political Front

- **Ahead Of Kyrgyz President's Visit, Osh Mayor Claims People's Support**

Melis Myrzakmatov, the mayor of Kyrgyzstan's second-largest city, Osh, has made his position clear ahead of a visit by the country's president that could result in his firing.

Apparently anticipating that outcome, the mayor told the Kyrgyz Internet news agency 24.kg before President Roza Otunbaeva's arrival, "Only the people can decide the question of my leaving office."

Many people now suspect the Myrzakmatov played some part in the June violence in his city and surrounding areas that left hundreds dead and led to widespread destruction of property, mainly belonging to the ethnic Uzbek community in Osh.

Myrzakmatov denied the accusations in an interview with RFE/RL on June 21, saying: "All the accusations against me are groundless. God will judge me."

President Otunbaeva and other officials in Bishkek have not tried to hide their dissatisfaction with the mayor, a fact that's not lost on Myrzakmatov. He told 24.kg that if Bishkek tried to remove him, he would call for a kuriltai, or grand public meeting, in Osh and allow the people to decide.

Myrzakmatov was quoted as saying, "We will invite . Roza Otunbaeva [and] we will invite the people, and let the people say if they want me to go or not."

Putting the question to the people might increase Myrzakmatov's chances of keeping his job.

The mayor's former deputy, Timur Kamchibekov, recently told RFE/RL that Myrzakmatov -- who was appointed by ousted President Kurmanbek Bakiev -- managed to stay in office by calling a kuriltai the day after Bakiev was chased from power in April. Kamchibekov says the mayor "gathered a group of his people, his supporters, his relatives and they demanded that Myrzakmatov [be kept on], that the people are for Melis Myrzakmatov and the people demand that he [continue] to work as mayor and not leave his post." For his part, Myrzakmatov has called Kamchibekov "simply a psycho."

The Osh mayor and Bishkek have been at odds about a number of issues, the most contentious being the introduction of unarmed OSCE police for a limited period.

Otunbaeva has accepted the idea, while Myrzakmatov has voiced opposition to the plan but grudgingly gone along with it.

"This decision was made from above so of course we will cooperate, but the opinion of the majority of people here is against [OSCE police in Osh]," Myrzakmatov said.

Indeed, just hours before Otunbaeva's arrival in Osh, there were protests against the planned OSCE force.

- Anti-OSCE Police Protests Held In Kyrgyz Cities

BISHKEK -- Demonstrations against the deployment of an international police force to Kyrgyzstan's southern regions have been held in several Kyrgyz cities, RFE/RL's Kyrgyz Service reports.

Mavlyan Askarbekov, a coordinator of the protests, told RFE/RL that the gatherings were organized by youth organizations.

In Bishkek, some 200 demonstrators gathered on a main square and burned an international policeman in effigy. The protesters chanted: "Foreign countries have nothing to do with our internal affairs!" and "We are against turning Kyrgyzstan into a second Yugoslavia or Georgia!"

Similar demonstrations were held in several other cities, including the southern city of Osh and the northern town of Talas.

The Organization for Security and Cooperation in Europe (OSCE) plans to send 52 policemen to the southern regions of Osh and Jalal-Abad next week. Deadly clashes in those regions last month between ethnic Uzbeks and Kyrgyz left at least 355 dead and forced hundreds of thousands to flee their homes.

The OSCE police contingent will be unarmed and will stay in Kyrgyzstan for just four months.

Meanwhile, an assembly that represents the country's ethnic groups said it supported the OSCE's plans, which have also been formally approved by Kyrgyz President Roza Otunbaeva.

Assembly of Kyrgyzstan's Peoples leader Svetlana Pak said today that all concerns about the country being partitioned following the deployment of international police were baseless.

She said the presence of the international police force would help restore the trust of people living in the south with Kyrgyz security forces and the local government.

Human rights groups and international agencies have reported widespread reprisals against ethnic Uzbeks by Kyrgyz security forces in the Osh region, including illegal detentions, beatings, and kidnappings for ransom.

Pak added that the international police activities would also help objectively investigate the causes of last month's unrest.

- Otunbaeva Visits Osh Amid Protests Against OSCE Police Deployment

Kyrgyz President Roza Otunbaeva is in the southern city of Osh, where she met with the city mayor as well as local residents. Otunbaeva's meeting took place in the offices of the mayor, Melis Myrzakmatov, whom Otunbaeva has criticized for his handling of last month's ethnic violence in the city.

Her visit comes as Osh City Council on July 30 passed a resolution opposing Bishkek's agreement to an Organization for Security and Cooperation in Europe (OSCE) deployment of some 50 international police advisers to southern Kyrgyzstan.

Otunbaeva criticized the resolution, saying council members didn't understand the real purpose of the agreement.

Earlier on July 30, she met with a local youth group opposed to the deployment of the unarmed police advisers.

The president sought to explain to them the significance of the deployment. She said the international police team will be there to advise law-enforcement agencies in providing security and restoring stability in the south.

The southern provinces of Jalal-Abad and Osh were hit by bloody interethnic clashes that killed more than 350 people and forced some 400,000 from their homes last month. The attacks largely targeted ethnic Uzbeks, the largest ethnic minority in the south.

Otunbaeva called on the young activists not to listen to "provocations by forces that want to exploit the situation to disrupt parliamentary elections scheduled for October."

She urged the youth to help the government to conduct the elections, and issued this warning. "I think we, Kyrgyzstan, must somehow come out from this crisis. If we don't find a way [out of this crisis], then we will be fighting each other, as Russians say, 'an eye for an eye,' and Kyrgyzstan will become Chechnya. We are only one step away from a partisan war now," Otunbaeva said.

Interfax news agency quoted the leader of the youth group, Konurbek Junusbekov, as saying the group would insist Kyrgyzstan refuse the deployment of the foreign police team. "The president promised to study our demands and to respond us in a few days," Junusbekov told Interfax. "If our demands are not supported, we intend to continue with protest actions."

Demonstrations

Two demonstrations took place in Osh and the capital Bishkek on July 29 against the deployment. On July 22 the OSCE Permanent Council agreed to deploy an international advisory police team in southern Kyrgyzstan to assist Bishkek in reducing interethnic tensions and restoring public confidence among the communities. The OSCE says the police team would not be armed and won't have an executive police mandate.

Human rights groups, most notably Human Rights Watch (HRW), had urged the OSCE to deploy an international police force to prevent further destabilization in the region. They accused Kyrgyz law-enforcement agencies of arbitrary arrests and torture, primarily of ethnic Uzbeks. In a report on July 14, HRW said it has documented some 30 such cases. Otunbaeva has agreed to the OSCE proposal to send the advisory police team to southern Kyrgyzstan. The plan was initially announced on July 16 at the OSCE Foreign Ministers' meeting in Almaty, Kazakhstan.

During her trip to Osh, she also met with head of the visiting delegation of the Organization of Islamic Conference.

Al-Mannan Al-Bakhid said the OIC will take part in reconciliation and reconstruction efforts and will also provide education and healthcare assistance.

- Tensions Continue To Rise In Southern Kyrgyzstan

OSH -- Traffic jams are returning to the streets of Osh, restaurants are reopening, and, in some areas, people are rebuilding houses burned down just a few weeks ago. But in other

neighborhoods, you can still smell smoke, water gushes from broken pipes, and many people live in tents, often in the courtyards of their former homes.

More than 300 people died in the violence between ethnic Kyrgyz and Uzbeks in June that destroyed hundreds of homes and businesses. The government says it will do everything necessary to rebuilt trust between the two communities. But more than a month on, there's little sign of reconciliation between the two main ethnic groups who inhabit this crippled city.

Instead, ongoing threats and allegations of abductions and torture are pushing the sides even further apart than they were in the immediate aftermath of the violence.

Seeing Is Not Believing

Most of the victims last month were ethnic Uzbeks. And it was mainly Uzbeks who fled the region -- hundreds of thousands of them, many across the border to refugee camps in Uzbekistan -- after many said they were attacked by Kyrgyz police and military units.

But state-controlled media largely blame Uzbeks for the violence. It's helping fuel tension that's keeping Uzbeks off the streets, making them virtual captives of their own neighborhoods, and spreading fear of Uzbeks among Kyrgyz.

A foreign observer of the recent events who refused to give his name, saying he fears for his safety, says he hasn't seen a single Uzbek interviewed on television.

He cites the case of an Uzbek woman who described watching incredulously on television as a Kyrgyz stranger stood outside her house, claiming it belonged to her and saying it had been destroyed by Uzbek marauders.

"[The ethnic Uzbek woman] said, 'We saw the television was showing our house and we got really excited, and then we saw a Kyrgyz woman standing outside [our] house and saying, "This is my house and 40 Uzbeks came and they burned it down" -- outside my house!'" the observer says. "So the fact is that well over 90 percent of the houses that were burned down were Uzbek and yet there's not been one interview with an Uzbek."

A Continuing Nightmare

Even as some rebuilding takes place, violence is continuing. Security forces are conducting routine sweeps of Uzbek neighborhoods, where residents say young men are being beaten and detained and held for ransom from relatives and friends.

Two young men, one an ethnic Kyrgyz and the other an ethnic Uzbek, recover in an Osh hospital from injuries sustained in the ethnic violence in June.

At the local headquarters of the National Security Service, Uzbeks inquire about the fate of their relatives. One woman has been coming here for the past five weeks to find out about her husband. An elderly man awaits news of his two sons, and a woman holding a child wants to know what's happened to her husband.

A short distance away, outside the provincial administration building, there's a crowd of ethnic Kyrgyz. It has set up tents and traditional felt-covered structures called yurts bearing photographs of missing relatives. The grieving people here say Uzbeks are holding those loved ones hostage, claims that have served as justification for the ongoing security sweeps of Uzbek neighborhoods.

There is no talk of reconciliation. In the center of Osh, a group of tough-looking young men blame Uzbeks for starting last month's violence. One of them accuses the authorities of doing nothing to prevent it.

"If the government won't do anything, the people will," he says. "We'll defend ourselves and our land."

Nowhere To Turn

In the Uzbek neighborhood of Sharq, Karim, who declines to give his last name, says many young Uzbeks are leaving for Russia. He says he's hoping a group of unarmed police from the Organization for Security and Cooperation in Europe (OSCE) will help restore order when it arrives in August.

"Maybe they'll help somehow," he says of the 50-plus "police advisory group." "We're counting on international organizations."

Down the road, in a small Kyrgyz community whose buildings have been burned down, Sheker Dihanova says she'd almost finished construction on her house before last month's violence. She says Uzbeks burned it down during the clashes.

"Nineteen families lived in this neighborhood," she says. "Six or seven of the houses were new, and out of them at least three are completely burned down. All I have left are the clothes on my back."

The government has promised to rebuild houses here, but residents are worried they'll have nowhere warm to live before winter sets in.

In the capital, Bishkek, the authorities say last month's violence was started by forces seeking to destabilize the interim government that took over after embattled President Kurmanbek Bakiev fled in April. They say parliamentary elections set for September or early October will form the basis of a new, democratic parliamentary system of rule that will bring stability to Kyrgyzstan.

But with tensions continuing to rise in the south amid little sign the government has any genuine control over local security forces, there are serious fears a new wave of violence could send the entire country into chaos.

Geo Strategic Front

- Clash between Uzbeks and Kyrgyz in Moscow

MOSCOW -- Violent clashes between Uzbek and Kyrgyz migrant workers in Moscow have left one person severely wounded, RFE/RL's Kyrgyz Service reports.

Dozens of ethnic Uzbeks and Kyrgyz clashed near the Profsoyuznaya subway station on the night of July 26. One of the participants in the clashes was hospitalized with knife wounds.

Almaz Abdisyaev, the legal attache at the Kyrgyz Embassy in Moscow, told RFE/RL that four people were arrested for allegedly organizing the clashes.

Last month, police prevented a similar clash between Uzbeks and Kyrgyz near the Kazansky railway station.

There are hundreds of thousands of Central Asian migrant workers in Russia.

The latest tensions are a consequence of the clashes between ethnic Uzbeks and Kyrgyz in the southern Kyrgyz regions of Osh and Jalal-Abad last month.

At least 355 people were killed and hundreds of thousands fled their homes due to the unrest.

- Tajikistan Confirms Extradition Of Terror Suspects To Kyrgyzstan

DUSHANBE -- Tajikistan has confirmed that two men who were detained earlier this month in northern Tajikistan have been handed over to Kyrgyz authorities at Bishkek's request, RFE/RL's Tajik Service reports.

Tajik Interior Minister Abdurahim Qahhorov said on July 20 the two were arrested in the village of Zideh, Sughd Province, in connection with an attack in May on a police checkpoint on the Dushanbe-Khujand highway.

Two of the attackers, Abdurahim Umarov and Abdurahmon Vahhobov, residents of Sughd Province, were killed by police during a shootout.

Qahhorov also said the investigation into the murder of special police unit (OMON) commander Colonel Oleg Zakharchenko has been reopened. Zakharchenko was reportedly killed by police officers in the eastern Rasht Province in February 2008.

The killing is controversial because Mahmadvkhuja Ahmadov, who was the head of the police anti-organized crime unit in Rasht at that time, said Zakharchenko had tried to arrest the police officers and that led to an altercation in which Zakharchenko died. But some people who were with Zakharchenko at the time said he did not try to arrest them.

Following a visit to Rasht last year by Tajik President Emomali Rahmon, the murder investigation was suspended and Ahmadov resigned from his post.

On another issue, Qahhorov said that while it is possible that one or more Tajik citizens were involved in the violent ethnic clashes in southern Kyrgyzstan last month, it is clear that they would not have been acting on orders from the Tajik government.

Some Kyrgyz officials have said "Tajiks" were involved in fomenting the ethnic unrest last month that led to at least 316 people being killed.

Meanwhile, Interior Ministry spokesman Mahmaddullo Asadullozoda said on July 20 that at the beginning of this year Interior Ministry officers detained an Uzbek citizen who was identified as Islam Niyozmatov.

Asadullozoda said Niyozmatov is a member of Al-Qaeda based in the northern Istaravshan district of Sughd Province. He added that five suspected members of extremist and terrorist groups affiliated with Al-Qaeda have been detained in Tajikistan this year.

Tajikistan political analyst Abdughani Mamadazimov told RFE/RL that local authorities refer to these people as members of Al-Qaeda in order to demonstrate their importance. But he said Al-Qaeda is not active on the right bank of the Amudarya River -- in contrast to local groups such as the Islamic Movement of Uzbekistan who do operate there.

- Top U.S. Official Warns Of Islamic Extremist Threat To Southern Kyrgyzstan
WASHINGTON -- Robert Blake, the U.S. Assistant Secretary of State for South and Central Asian Affairs, says Kyrgyzstan must be wary of attempts by Afghan Islamic militants to try to enter the fragile southern part of the country through its border with Tajikistan.

"There's, I think, particular concern about the southern border with Tajikistan, and the possibility that some militants from Afghanistan might try to come up through that border to try to exploit the situation in Kyrgyzstan," Blake said today at a hearing of U.S. Helsinki Commission.

Arslan Anarbaev, the interim head at the Kyrgyz embassy in Washington, D.C. added that "the South is very vulnerable to Islamic radicalism."

Blake, who visited Kyrgyzstan last week, said that Russia would likely be "helping with some of the border security issues" for the Central Asian nation.

Economic /Energy Front

- International Donors Pledge Over \$1 Billion Aid To Kyrgyzstan

BISHKEK -- At a donors conference in Bishkek, representatives of 14 countries and 15 international organizations have pledged \$1.1 billion in response to appeals from Kyrgyz interim government leaders.

President Roza Otunbaeva made an impassioned appeal to the representatives at the start of the conference.

"Ladies and gentlemen, during these critical days we have felt the support of the international community of our friends and partners. In particular, the United Nations and its partners have addressed the international community with a request for \$96 million in humanitarian assistance for the southern regions of our country," Otunbaeva said.

"The Kyrgyz republic needs such assistance as never before," she added. "We are ready to take full responsibility for this assistance and especially for ensuring that it benefits our people. We are confident in our clear program for social, political and economic stabilization of the country."

Massive Damage

The current government in Bishkek assumed power in mid-April, after a popular uprising led to the ouster of President Kurmanbek Bakiev.

The upheaval left almost 100 people dead and triggered episodes of ethnic violence in the weeks following that destroyed whole sections of the country's second-largest city, Osh.

There was also violence in nearby Jalal-Abad, where Governor Bektur Asanov has told RFE/RL he expects the final tally of damages there to total as much as \$600 million.

To coincide with the donor conference, the government released an official accounting of the cost of the weeks of turmoil and clashes.

It noted that "in addition to severe social damage -- including up to 375,000 people displaced, with 75,000 still displaced at this time -- the events of June 2010 brought about critical destruction of housing by arson in the south and damage to physical infrastructure...."

Even in the best of times, Kyrgyzstan has struggled with poverty. The tumultuous events of the last few months have worsened what was already a weak economy.

The government has predicted that the national economy will shrink by 3.5 percent in 2010 and output per capita will fall to \$826 -- more than \$100 less than pre-crisis expectations.

Conditions Attached

Today's international aid pledges came with strict guidelines for how the money is to be used. Donors are no doubt mindful of Bishkek's history of squandering previous gifts of financial aid, most recently, a loan from Russia.

Russia halted its monetary aid to the country at the start of 2010 after Russian officials discovered a large part of an initial \$450 million package of a \$2 billion loan had been reinvested outside the country by President Bakiev's son Maksim and his business associates.

Following a press conference in Bishkek, RFE/RL asked the World Bank's director of strategy and operations for Europe and Central Asia, Theodore Ahlers, about his level of confidence that the interim Kyrgyz government will disperse the aid package responsibly. "We have to deal with the government that is in place today," Ahlers said. "This government has taken action to reverse the practices of the previous government, which clearly led to the abuse of public power and misuse of public resources."

Ahlers said the fact that Otunbaeva will remain in office until the end of 2011 offers some guarantee of a continuity of policy in Kyrgyzstan.

But statements from the government in Bishkek have not always been in synch with the policies of officials in the restive south, particularly since June's violence.

Osh Mayor Melis Myrzakmatov told RFE/RL on June 20 that his plan for the reconstruction of Osh envisioned razing burned-out neighborhoods -- which are populated largely by ethnic Uzbeks -- and constructing high-rise apartment complexes that would become home to both Kyrgyz and Uzbeks -- two groups that have not exactly coexisted peacefully recently.

Ahlers said the donors at the international conference were aware of the controversial re-housing plan and had made their wishes clear to government leaders.

"The government stated today that they would not force people off of their property, that they respected property rights," Ahlers said.

"A large number of donors expressed their view that it was important that families whose homes were destroyed be allowed, if they wished, to rebuild their homes on that same land and certainly not to be forcibly resettled and made their financial support conditional upon a government program respecting those perimeters."

Otunbaeva herself told RFE/RL the Osh mayor was "a controversial question" and that she intended to visit the city on July 29 to look into the situation across the south.

Social Front

- Children From Southern Kyrgyzstan Vacation In Kazakhstan

OSH, Kyrgyzstan -- Fifty children between 10 and 15 years of age have left southern Kyrgyzstan for vacation and medical treatment in Kazakhstan, RFE/RL's Kyrgyz Service reports.

The Kyrgyz Foreign Ministry's press service said that on July 25 the children from Kyrgyzstan's Suzak, Bazar-Korgon, Nooken, and Ala-Buka districts went to a children's health center in Kazakhstan's Zhambyl Oblast.

Kazakh authorities initiated the program for children from Jalal-Abad, the scene of violent clashes between ethnic Uzbeks and Kyrgyz from June 10-15.

The Kyrgyz Foreign Ministry said the group is made up of both Kyrgyz and ethnic Uzbek children.

Tajikistan

Political Front

- Tajik Prosecutor Targets Forerunner's Son

The son of former Tajik Prosecutor-General Bobojon Bobokhonov has been arrested on corruption charges, the latest in a string of moves initiated against current or former judicial officials by Bobokhonov's successor.

The arrest of Faizullo Bobokhonov, a former regional prosecutor, on July 23 in Dushanbe follows the dismissal of 15 regional prosecutors amid graft allegations over the past six months.

The arrest is seen as the climax of an anticorruption effort orchestrated by Prosecutor-General Sherkhon Salimzoda, who in his previous capacity as head of the state anticorruption agency had a longstanding feud with his predecessor as prosecutor-general.

Geo Strategic Front

- Tajikistan Confirms Extradition Of Terror Suspects To Kyrgyzstan

DUSHANBE -- Tajikistan has confirmed that two men who were detained earlier this month in northern Tajikistan have been handed over to Kyrgyz authorities at Bishkek's request, RFE/RL's Tajik Service reports.

Tajik Interior Minister Abdurahim Qahhorov said on July 20 the two were arrested in the village of Zideh, Sughd Province, in connection with an attack in May on a police checkpoint on the Dushanbe-Khujand highway.

Two of the attackers, Abdurahim Umarov and Abdurahmon Vahhobov, residents of Sughd Province, were killed by police during a shootout.

Qahhorov also said the investigation into the murder of special police unit (OMON) commander Colonel Oleg Zakharchenko has been reopened. Zakharchenko was reportedly killed by police officers in the eastern Rasht Province in February 2008.

The killing is controversial because Mahmadvahid Ahmadov, who was the head of the police anti-organized crime unit in Rasht at that time, said Zakharchenko had tried to arrest the police officers and that led to an altercation in which Zakharchenko died. But some people who were with Zakharchenko at the time said he did not try to arrest them.

Following a visit to Rasht last year by Tajik President Emomali Rahmon, the murder investigation was suspended and Ahmadov resigned from his post.

On another issue, Qahhorov said that while it is possible that one or more Tajik citizens were involved in the violent ethnic clashes in southern Kyrgyzstan last month, it is clear that they would not have been acting on orders from the Tajik government.

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Economic /Energy Front

- Tajikistan to participate in ADB-supported regional business development forum
DUSHANBE, July 23, 2010, Asia-Plus -- The Asian Development Bank (ADB), in cooperation with China, is organizing a Central Asian Regional Economic Cooperation (CAREC) Business Development Forum in Urumqi on July 29-30, 2010, according to ADB's Tajikistan resident Mission (TJRM).

The Forum aims to support private sector participation in regional initiatives, encourage foreign direct investment in priority infrastructure projects, and promote collaboration among private and public sector organizations in CAREC countries.

The event is co-organized by PRC's Ministry of Commerce, Ministry of Finance, Government of Xinjiang Uygur Autonomous Region, and All-China Federation of Industry and Commerce. Senior government officials and private sector representatives

from Afghanistan, Armenia, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, and Uzbekistan are expected to participate in the Forum.

“There will be plenary sessions on business opportunities and public-private partnerships in regional development, country presentations on trade and investment opportunities, and how ADB is supporting private sector investment,” said Makoto Ojira, ADB’s Country Director for Tajikistan. “Panel discussions will also be held on transport, agricultural trade, trade facilitation, and energy issues.”

Tajikistan's delegation is expected to comprise Senior Adviser to the President on Economic Policy and CAREC National Focal Point for Tajikistan Nematjon Buriyev; Minister of Economic Development and Trade Farrukh Hamraliyev; First Deputy Minister of Energy and Industry Pulod Muhidinov; and senior representatives from Agroinvestbank, Pamir Energy and Somon Capital Company.

CAREC is an ADB-supported initiative to encourage economic cooperation in Central Asia. Initiated in 1997, the program is focused on regional initiatives in transport, trade facilitation, trade policy, and energy critical to improving the economic performance of the region and the livelihoods of all people—especially the poor.

Tajikistan joined ADB in 1998, and to date has received about \$570 million in concessional loans, grants and technical assistance from ADB. In 2010, ADB plans to provide \$150m in grant assistance to Tajikistan. The assistance program is expected to support energy and private sector development.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific region through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region. In 2009, it approved a total of \$16.1 billion in financing operations through loans, grants, guarantees, a trade finance facilitation program, equity investments, and technical assistance projects. ADB also mobilized cofinancing amounting to \$3.2 billion.

- China’s CNMIM expected to explore and develop gold deposit in Tajikistan

DUSHANBE, July 30, 2010, Asia-Plus -- China Nonferrous Metals Int’l Mining Co. Ltd (CNMIM) is expected to explore gold deposit in Tajikistan.

Kryso Resources plc, the mineral exploration and development company with gold and nickel-copper projects in Tajikistan, announced on July 27 that it entered into a conditional subscription agreement with CNMIM.

According to Kryso resources plc, pursuant to the agreement, assuming satisfaction of all conditions, CNMIM will subscribe for 73,269,539 placing shares (subject to adjustment so that the number of new ordinary shares subscribed shall represent, on completion of the placing, 29.9% of the total issued shares of the Company) at 15p per share to raise £10,990,430.85 before expenses.

CNMIM will procure an offer of debt financing for the Company within three months of the board approval of the bankable feasibility study for not less than 70% of the funding cost of the Pakrut gold project, which funds would be used for the purposes of constructing and commissioning a mine at the Pakrut gold project.

Commenting on the agreement, Mr. Trevor Davenport, Chairman and acting Managing Director of Kryso Resources, noted, “CNMIM is supportive of Kryso's primary objective, to develop the Pakrut gold project to commercial production at the earliest opportunity, and we are confident that CNMIM will be able to source the necessary financing for the Company to fulfill this objective.” For his part, Mr. David Tang, President of CNMIM

said, "We are delighted to be making the proposed investment in Kryso and look forward to working with the Company to develop the full potential of the Pakrut project."

CNMIM, whose principal shareholder is China Nonferrous Metals Mining (Group) Co., Ltd, is a global mining company. Established in 2002, CNMIM is focused on the development of major nonferrous and precious metal projects outside China. CNMIM has access to Chinese and overseas markets, resources and capital.

The Pakrut gold project, of which Kryso has 100% ownership, is situated in Tajikistan approximately 112 kilometers northeast of Dushanbe. Pakrut has total JORC Code-compliant Mineral Resources of 3,024,000 oz Au (assuming a cut-off grade of 0.0g/t Au) and is located within the Tien Shan gold belt, which extends from Uzbekistan into Tajikistan, Kyrgyzstan and western China, and which hosts a number of multi-million ounce gold deposits.

- Tajik Hydropower Station To Displace Thousands

DUSHANBE -- Tajik Labor Minister Makhmadamin Makhmadaminov says that thousands of people are being relocated in order to complete construction of the Roghun hydropower plant, RFE/RL's Tajik Service reports.

Makhmadaminov said the resettlement process would take at least until the end of 2010.

He said that that about 1,500 families with 6,538 members would be moved, and that "almost 453 families" have already been moved.

"The Tajik government and local authorities have a scheme for resettling these people, who will receive onetime financial help, low-interest loans, and other means that government can provide," Makhmadaminov added.

Gulnisso Rakhmatova, a resident of the Nurobod district east of the dam, told RFE/RL that she will be displaced by the construction.

"They offer arid places that don't have enough water, we don't like those places. We want them to give us land here in our mountainous region, because we are farmers and we want to plant orchards, vegetables, and continue our relevant work," Rakhmatova said.

"Now we earn money by selling fruit from our orchard. I don't have a son who could go to Russia and send me money."

Construction of the Roghun plant was begun in 1976, but work has been consistently interrupted because of financial constraints, various natural disasters, and concerns raised by Uzbekistan.

Uzbek officials are worried that the dam will reduce the flow of water on the Vakhsh River, which is vital for irrigating the country's cotton fields.

The estimated cost of the plant is \$3 billion. If it is completed, the Roghun dam will be the highest in the world.

Tajikistan suffers severe energy shortages every year.

- Tajik National Bank Head: Counterfeit Money Printed In Afghanistan

DUSHANBE -- The head of the Tajik National Bank has warned people that forged Tajik somonis are circulating in Tajikistan, RFE/RL's Tajik Service reports.

Sharif Rahimzoda said on July 26 in Dushanbe that "recently we received information that there was a secret printing house in Afghanistan that was printing counterfeit somonis. We informed our Afghan allies and the printing house was destroyed."

Rahimzoda did not say where the printing presses were or who was running them. He said there is no reliable estimate of the amount of counterfeit currency already printed and brought into Tajikistan.

Rahimzoda noted that people do not care whether the money they receive is forged and admitted that he had used forged banknotes in a Dushanbe market and the vendor accepted them.

He added that many large stores or supermarkets in the Tajik capital have been accepting forged currency because they cannot distinguish the counterfeit banknotes from real ones. Rahimzoda said the planned increase in the use of bank debit cards is the most effective way of reducing the use of forged currency. He said the number of debit-card users in Tajikistan will increase by 25 percent this year.

Despite that, Rahimzoda said more than 90 percent of all financial transactions in Tajikistan are carried out in cash.

Many Tajiks use U.S. dollars for large transactions. Rahimzoda also said that 2.9 billion somonis (\$661.8 million) and around \$400 million in cash are currently in circulation in Tajikistan.

Social Front

- Tajikistan Raises Legal Age For Women To Marry

DUSHANBE -- Tajik President Emomali Rahmon has signed a law amending the country's Family Code to raise the legal age for women to marry from 17 to 18 years, RFE/RL's Tajik Service reports.

That change and one requiring children to attend school for a minimum of 11 years starting at the age of seven were proposed by Khayirinisso Yusufi, a former head of the Tajik State Committee for Women.

The amendments take effect as of January 1. Parents who attempt to have their daughters married before the age of 18 will be prosecuted. It is unknown what punishment they would face.

Many Tajik sociologists say poverty is the main reason parents seek to have their daughters marry at a young age.

Furqat Rahmatulloev, a court official in the southern city of Kulob, said poverty was the decisive factor in all the cases the court heard over the past six months concerning the marriage of girls aged between 15 and 16 years.

A second factor mentioned by Tajik analysts is that hundreds of thousands of Tajik men leave the country in search of work, mainly for Russia. Many of them postpone getting married or leave their wives and marry a second woman abroad. That leaves fewer men looking for Tajik wives.

One young woman told RFE/RL that "with the raising of the [legal age for] marriage, you will soon find an increase in older unmarried girls in Tajikistan."

She said that in Tajikistan, once a girl reaches 20 she is often considered an "old maid" and will have fewer suitors.

In contrast, a young university student argues that families should educate their daughters before finding them a husband. She said education improves a girl's chances of making a good match and of coping on her own if she gets divorced.

- Tajikistan Sees Decline In Afghan Drug Volumes

Tajikistan is expecting a decline in the volume of drugs trafficked from Afghanistan this year due to better policing and a fungus that has attacked the opium poppy crop, according to Khalimdjon Makhmudov, who heads the operations and search department at Tajikistan's Drug Control Agency.

Makhmudov said that in the first six months of this year, Tajikistan seized nearly one-third less drugs than in the same period of last year.

He said his agency expects a decline of around 25 percent this year in the flow of drugs from Afghanistan through Tajikistan.

Afghanistan produces most of the world's opium, from which heroin is processed.

Turkmenistan

Political Front

Geo Strategic Front

- Direct inter-regional ties account for 70 percent of Turkmen-Russian trade turnover

Turkmenistan's direct contacts with individual regions of the Russian Federation play an important role in the Turkmen-Russian co-operation (about 70 per cent of trade turnover). According to the press service of the upper chamber of the Russian parliament, this data was cited by the deputy chairman of the Council of Federation, Svetlana Orlova at a meeting with the delegation of the Committee on International and Inter-parliamentary Relations of the Mejlis of Turkmenistan, who arrived in Moscow on a visit.

The Vice-Speaker of the Council of Federation appreciated the dynamics of bilateral relations between Russia and Turkmenistan at all levels - from the highest political level to regional cooperation. In terms of exports and imports of goods Turkmenistan is one of Russia's most important partners, Svetlana Orlova said. According to her, last year it amounted to 332 million US dollars. The intergovernmental commission of Russia and Turkmenistan is productive. The commission discussed more than 20 issues at its last meeting, the vice speaker said.

The sides also discussed prospects of inter-parliamentary cooperation, exchange of experiences in legislative activity and mechanisms to enhance bilateral cooperation. Issues of cooperation between Russia and Turkmenistan in the sphere of agriculture were paid particular attention during the meeting.

Economic /Energy Front

- Turkmenistan increases production of liquefied gas

The improvement of technological processes and use of advanced methods of modern production have led to a record production of liquefied gas at the Nayyp gas-processing plant under the state concern Turkmengaz.

As the Turkmenistan.ru correspondent has learned from Turkmengaz, daily production of high quality domestic fuel far exceeds the design capacity of the plant. Since the beginning of the year the Nayyp's three automated installations have produced 75 thousand tons of liquefied gas, up 20 thousand tons year-on-year. High quality liquefied gas is exported on a regular basis.

The production of gas condensate is also growing owing to the increase in processing of raw materials. This year, more than 30 thousand tons of gas condensate were supplied to the Seidi oil refinery, the concern said.

- MTS launches project on use of alternative sources of energy in Turkmenistan

Specialists "MTS Turkmenistan" company have launched the first platform using a set of alternative sources of power (ASP) to provide remote settlements in eastern Turkmenistan with mobile communication. The set is located in Koytendag district of Lebap province, near the villages of Koiten and Gurshunmagdan in the territory of National Park "Koytendag".

According to the press center of the company, settlements with more than 9 thousand people that are very popular with tourists are located in the picturesque valley of Koiten, the two sides of which are covered with a big mountain range. Two wind turbine and solar panels were installed in the natural rising ground. Compared with the traditional methods of power supply, the ASP set is fully self-contained, using solar and wind energy.

As the company noted, "MTS Turkmenistan" plans to continue the further implementation of ASP to provide communications between remote settlements located in remote parts of Turkmenistan.

- Exports of Turkmen gas to China to increase by December 2012

The State Concern "Turkmengaz" will finance the construction of a gas compressor station with the capacity of 30 bcm a year at the gas field "Malay" in Lebap province. This was announced by the Director of the State Agency for the Management and Use of Hydrocarbon Resources Yagshigeldy Kakayev at a meeting of the Cabinet of Ministers of Turkmenistan. Yagshigeldy Kakayev is temporarily acting as Vice Premier for oil and gas, chemical industries and fisheries replacing Baymyrat Hodzhamammedov owing to the latter's ill health.

The construction of the gas compressor station will be carried out by the companies of the Turkmen energy sector. The start of works is scheduled for September 2010 and the facility should be commissioned in December 2012. The construction of this station at the starting point of the pipeline "Malay - Bagtyyarylyk", ensuring natural gas supplies to China, will significantly increase the throughput capacity of the Turkmenistan-China gas pipeline.

As the Turkmenistan.ru correspondent reports from Ashgabat, the meeting also heard a report on the upcoming visit of a delegation of Turkmenistan to the Islamic Republic of Iran scheduled for July 24 to discuss issues of bilateral cooperation in the oil and gas industry. The delegation will be headed by Deputy Prime Minister Rashid Meredov.

The head of Turkmenistan's Foreign Ministry also reported on the discussions held in the framework of the international conference on Afghanistan in Kabul. The conference discussed the possibility of constructing a TAPI gas pipeline (Turkmenistan - Afghanistan - Pakistan - India). According to him, this topic was of "special importance" within the framework of the forum.

Social Front

- President of Turkmenistan sends condolences to President and people of Pakistan
Turkmen President Gurbanguly Berdimuhamedov has sent condolences to President of the Islamic Republic of Pakistan Asif Ali Zardari in connection with the airliner's crash near the city of Islamabad, which resulted in numerous human casualties and injuries.

As the Turkmenistan.ru correspondent reports from Ashgabat with reference to the official statement, Gurbanguly Berdimuhamedov wished fortitude and strength to overcome this tragedy. Turkmen president also conveyed words of deep empathy and support to families and friends of those killed and injured.

Uzbekistan Political Front

- Reconstruction Plan To "Ethnically Cleanse" Osh, Uzbeks Fear

Osh will be rebuilt into a "modern metropolis," moving families whose houses were damaged during last month's violence onto plots outside of town. Many Uzbeks oppose the scheme. They suspect some officials helped organized the June violence, which gutted Uzbek neighborhoods in central Osh, to make way for extravagant modern government buildings and housing projects.

In a speech to her new government on July 16, provisional President Roza Otunbayeva threw her support behind the project.

We made a decision to approach a restoration of Osh city on a different level. It will be done on the basis of general plan of reconstruction. But, we will have to try to minimally affect interests of those who lived and still living in the zone of future reconstruction. All of them in the case of transfer of the housing will not only receive a compensation for the property, but also new, I think, more comfortable land plots instead of those that will be going for state needs. We ask our citizens to be sympathetic to this. [...] We will approach this selectively: those who want to live in the houses will have such an opportunity, and those who want to receive a modern housing will get apartments.

The announcement, after weeks of hints from local and federal officials that those who lost their homes in central Osh would be encouraged to relocate, has many Uzbeks certain the violence was orchestrated. Soon after the fighting, the Osh mayor floated the idea of constructing apartment blocks over the Uzbek neighborhoods.

According to some estimates, more than 2,500 houses were either destroyed or severely damaged during the unrest in Osh and surrounding regions.

A local NGO worker, who lives in one of central Osh's charred neighborhoods, responded that this is merely a campaign to "ethnically cleanse" the city. "To do this [reconstruction plan], certain Uzbek neighborhoods have to be removed. If you look at the Osh map, you can see that houses were burned and people were killed in those areas populated by ethnic Uzbeks where the authorities want to construct new roads, governmental buildings, and trading centers according to Otunbayeva's 'general plan,' he said."

Geo Strategic Front

- Uzbeks, Kyrgyz Clash In Moscow

MOSCOW -- Violent clashes between Uzbek and Kyrgyz migrant workers in Moscow have left one person severely wounded, RFE/RL's Kyrgyz Service reports.

Dozens of ethnic Uzbeks and Kyrgyz clashed near the Profsoyuznaya subway station on the night of July 26. One of the participants in the clashes was hospitalized with knife wounds. Almaz Abdisyayev, the legal attache at the Kyrgyz Embassy in Moscow, told RFE/RL that four people were arrested for allegedly organizing the clashes.

Last month, police prevented a similar clash between Uzbeks and Kyrgyz near the Kazansky railway station. There are hundreds of thousands of Central Asian migrant workers in Russia. The latest tensions are a consequence of the clashes between ethnic Uzbeks and Kyrgyz in the southern Kyrgyz regions of Osh and Jalal-Abad last month.

At least 355 people were killed and hundreds of thousands fled their homes due to the unrest.

Economic /Energy Front

- Uzbekistan: The Central Bank forces the credit unions to decrease the interest rates on loans and deposits

Ferghana.Ru learned from private sources that the Central Bank in Uzbekistan puts pressure on the credit unions. The Central Bank sent the message to all credit unions in the republic with FOU (For Office Use) in the subject, dated July 19, 2010, according to which since July 20, 2010 all credit unions must set the interest rates for deposits at 14-16 percent and for loans at 18-20 percent.

The letter from the Central Bank of Uzbekistan

The interest rates, proposed by the Central Bank, are twice as low as real interest rates, offered by the credit unions. For instance, ALMAZ credit union offers the following interest rates on deposits (cash): 100 percent for two year term, 50 percent for one year term and so on. 12 percent is offered to checking accounts. The same credit union offered 4.8 percent per month rate (for cash), i.e. 57.6 percent per year.

New requirement of Central Bank means dramatic decrease of the interest rates; most likely, this will result in bankruptcy of credit unions that, in the opinion of many experts, were effective chain in the development of small and medium business in Uzbekistan: it was much easier to get money from credit union than from state banks in Uzbekistan. According to the Central Bank, there are 90 credit unions in Uzbekistan that made quick decision on loans without any serious bureaucracy (at least, compared to state-owned banks).

The representatives of credit unions are concerned that depositors, learning about new requirements of Central Bank, will want to withdraw money and put them into currency. Special attention here is paid to senior citizens, many of which prefer to keep savings in the credit unions. The bankruptcy of the credit unions may produce not only outflow of cash, but also emergence of new unemployed people. There are up to 20 thousand people, working for the credit unions.

It is interesting to note that the letter from the Central Bank is signed by H. Zhafarova, the CEO at National association of micro-loan organizations and credit unions, and M. Mirpulatov, the CEO at credit union association. Both of these associations exist thanks to membership fees, paid by credit unions, and their function is to protect the interests of these financial organizations. Unofficial sources report that they were forced to put their signatures at this letter.

Social Front

- The European human rights court prohibited Ukraine to return refugees to Uzbekistan

On July 26, 2010 the European Court for human rights (the Strasburg court) applied rule 39 and prohibited Ukraine to return 4 arrested Uzbek refugees to Uzbekistan, the Without Borders project informed Ferghana.Ru on July 30.

The project press-release indicates that the Strasburg court informed the representatives of four arrested Uzbek refugees that "with the purpose to ensure consideration of interests in the court" the Court instructed the government of Ukraine not to extradite Uzbek citizens back home.

The court also proposed Ukrainian government to provide comments on non-return practice until August 3, 2010. The representative of detained Uzbek citizens must file the complaint by August 9, 2010.

Ferghana.Ru reported earlier that in June-July period Ukrainian security service and interior ministry detained for refugees (looking for asylum in Ukraine) by the request of Uzbekistan – Umid Khamroev, Kosim Dadakhanov, Shodilbek Soibzhonov and Utkir Akramov. The families of other potential refugees from Uzbekistan were exposed to high pressure and persecution. Despite the fact that refugees informed Ukrainian authorities about persecution by Uzbek government, their refugee applications are still not considered and their extradition to Uzbekistan is prohibited by multiple decisions of European Court – the arrested people are still in the detention center. The rest Uzbek asylum-seekers live in fear and pressure, put by Ukrainian police.

Today, the government of Ukraine will have to give proper consideration of refugee applications and will not return them to Uzbekistan until the European Court makes appropriate decision. The notice from European Court says "non-observance of measures by member-state will be ... the violation of Convention on the protection of human rights and basic freedoms..."

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