

Report# 134

BUSINESS AND POLITICS IN THE MUSLIM WORLD

Fertile Crescent

Aisha Rehman

From 20th-27th August 2010

Presentation: 1st September 2010

Out line

Summary

Egypt

Political front

- Standing issues
- Race of signatures
- Call for Muslim Brotherhood boycott grows
- Gamal Mubarak on NDP policies in TV interview
- Brotherhood 'unprepared to rule' Egypt
- Egypt: Dissident Signs Pro-Gamal Mubarak Petition

Geo strategic front

- Mubarak, Sarkozy discuss ME peace talks

Economic front

- Power cuts and high prices spark Ramadan ire in Egypt
- World Bank grants Egypt 1.2 bil Egyptian pounds for wind energy

Social front

- Religious freedom at stake in Egypt
- Egyptian clerics preach moderate Islam

Lebanon

Political front

- Hariri Vows to Spare No Effort to Protect Stability in Lebanon
- Jumblatt: State Remains Final Shelter for Protecting Unity, Resistance
- Hariri: It's Unacceptable that the State Play Role of Spectator
- Hariri Vows to Spare No Effort to Protect Stability in Lebanon

Geo strategic front

- Lebanese PM Travels to Syria Amid Rising Tensions
- Hizbullah 'evidence' to delay STL indictments
- Iran ready to offer military aid to Lebanon, minister says

Security

- US military aid cut would strengthen Hizbullah
- 'Lebanese Army receives 39 vehicles from UN
- Aoun Says Lawsuit Has Been Filed against False Witnesses
- US Advisor Says Israel Can Destroy Lebanon Army within 4 Hours: Al-Liwa'a

Economic front

- World Bank: High growth unsustainable without reform
- Lebanon sees 5.2 percent rise in car sales

Gaza ship

- Lebanese ship delays departure for Gaza
- Lebanon ship will not head for Gaza: Organizers

Social front

- Social Affairs Ministry launches second phase of institutional-credibility drive
- Hamas, Fatah clash in refugee camp after prayer dispute

Iraq

Political front

- Iraq: State of Law Coalition Members Threaten to Split from Party
- Iraq's Rival Parties Resume Government Coalition Talks

Status of US forces

- Iraqi Forces On High Alert As U.S. Withdraws
- Iraq Sunni Militia Leader Fears Exit Of U.S. Troops
- Iraq Confirms Tentative Agreement With Iran On Pipeline
- U.S. Troops In Iraq Below 50,000
- General Says U.S. Ready To Resume Iraq Combat Role If Needed

Geo strategic front

Economic front

- EU to help Iraq clean up nuclear facilities
- Up to 80 Iraqi nuclear scientists will be involved in program.
- Iraq Kurds say oil exports will bring them \$25 billion a year
- Power Hungry: Iraqis Ask 'Where Is The Electricity?'
- Acting Electricity Minister Hussein al-Shahristani
- Foreign firms race to develop Iraqi oil fields

Palestine

- Moussa Pessimistic on Israeli-Palestinian Talks
- Abbas, Netanyahu Talks on Course of Collapse, before They Begin
- Hamas: Talks Excuse for PA to Allow Israel to Wipe Out Palestinian Cause
- Palestinians Counter Israeli Editing Group in Wikipedia Battle
- Netanyahu Demands Talks Focus on Security Issues before Borders
- Hamas says peace talks will deal blow to Palestinians

- EU's Ashton to skip restarted Mideast peace talks

Summary

Egypt

Most of Egypt's opposition parties are urging the Muslim Brotherhood, the country's largest and oldest opposition group, to boycott legislative elections in November. Mohamed ElBaradei renewed his call through Twitter on Saturday that "only by boycotting the elections and signing [the] petition for change can we be credible and impose our will on a repressive regime. Let us all unite." Mr ElBaradei, 68, who many see as a viable candidate for president in 2011, has been urging Egyptians to boycott the November elections unless the constitution is amended to restore local judicial supervision over elections.

Egypt's largest-but-banned opposition group is not yet ready to take power in the country, a prominent supporter of the outlawed Muslim Brotherhood said in a newspaper interview Saturday ahead of parliamentary elections in November. Muntasser al-Zayat, a Muslim Brotherhood activist and lawyer. "I think it's not time yet for Islamists to be in power," Muntasser al-Zayat, a Muslim Brotherhood activist and lawyer, told Asharq Al-Awsat newspaper. "Of course, the Brotherhood is the most experienced Islamist group to play a role in Egypt's political life ... but I think it is a blessing from God that no Islamist faction reached power in Egypt," he added, referring to previous election efforts by the group. He told the paper that opponents of the Brotherhood were seeking to watch it fail and the Islamists needed to be in a better position before seeking power.

Geo strategic front

will discuss the talks with Sarkozy during a stopover on his way to Washington to join the inaugural meeting between Israeli Prime Minister Benjamin Netanyahu and Palestinian president Mahmud Abbas, the flagship Al-Ahram newspaper said. Thursday's meeting will launch the first direct negotiations between the two sides since the Palestinians broke off talks in December 2008 after Israel launched a devastating offensive against the Gaza Strip.

The Board of Executive Directors of the World Bank approved a grant to Egypt, a loan of \$1.2 billion Egyptian pounds to support the development of wind energy. 800 million pounds will be provided by the Clean Technology Fund, which will be a first for the fund in the Middle East and North Africa. The project will support the strategy of Egypt towards renewable energy, which is attaching a high priority program to generate electricity on a wide range of renewable energy sources, "which help to achieve national objectives and regional savings in fossil fuels, environmental protection, creation of job opportunities that takes into account environmental considerations and technology transfer," the ministry of environment told Bikya Masr

Social front

If you don't fast during Ramadan in Egypt, lie about it and hide it. If not, you might land in jail. Egyptian Muslims celebrate the first day of Eid al-Fitr last year at the stadium of the Nile Delta city of Mansura, 120 km north of Cairo, marking the end of the holy fasting month of Ramadan. Tarek Elshabini, a 21-year-old engineering student, is Muslim, but only according to his personal ID card.

Islamic countries are keen to invite scholars from Egypt's Al-Azhar, the Muslim world's prestigious institution, because such clerics preach moderate interpretations of the Holy

Qur'an, according to an Egyptian cleric who has been preaching in Bahrain for nine years and the broader Gulf region for more than two decades. Islamic countries are keen to invite scholars from Egypt's Al-Azhar because such clerics preach moderate interpretations of the Holy Qur'an, according to an Egyptian cleric.

Lebanon

Political front

Prime Minister Saad Hariri said he will spare no effort to protect stability in Lebanon. Speaking during the annual iftar held by the Islamic Orphanage at the BIEL, Hariri stressed that dialogue should remain the only way to solve differences and conflicts. "Some insist on dragging the country into tension ... There are people who volunteer for this task and there are pens which steer the public opinion on daily basis through giving information, news and attitudes that fall within the organized campaign against the cause" of his father, former PM Rafik Hariri," Hariri said.

Geo strategic front

Bashar Assad met with Lebanese Prime Minister Saad Hariri in Damascus for a pre-dawn meal called "suhour," the last meal before the day time fast resumes for the holy month of Ramadan, the Syrian state-run news agency reported. Hariri has visited Damascus repeatedly this year in a sign of Syria's renewed influence over Lebanon in the years since Damascus withdrew its military in 2005, ending a nearly three-decade hold on Lebanon. Hariri's visits indicate that he needs Syrian support as his Western-backed coalition struggles at home. Syria backs the Lebanese militant group Hezbollah, which has a large role in Lebanon's fragile national unity government.

Security

While some US congressmen are pushing to cut \$100 million in military assistance budgeted for Lebanon over fears of Israel's security and Hizbullah's leading role here, slashing the aid would only make Hizbullah stronger, drive the army toward US rivals and erode US credibility here, a number of analysts told The Daily Star on Wednesday. The issue erupted in Congress after an August 3 incident in Adaysseh near the Lebanese-Israeli border, where Israel's cutting down of a tree sparked a firefight which killed two Lebanese Armed Forces (LAF) soldiers, a Lebanese journalist, and an Israeli officer. The United Nations Interim Force in Lebanon (UNIFIL) delivered 39 vehicles to the Lebanese Army at a ceremony at UNIFIL's headquarters in Naqoura on Wednesday. Force Commander Major General Alberto Asarta Cuevas highlighted that conditions on the ground have significantly improved and cooperation between UNIFIL and the Lebanese Armed Forces had become a "central cornerstone" of their work. "Our activities could not be implemented without the cooperation of the Lebanese Army, which has demonstrated – time and again – its professionalism and commitment to UN Security Council Resolution 1701," Asarta said at the ceremony, which was attended by Brigadier General Louis Hanna and Brigadier General Khalil Msan, commander of the Lebanese Army in the south Litani area.

Gaza ship

The organizers of a Lebanese ship hoping to break Israel's Gaza blockade say they have postponed the trip after Cyprus refused the vessel entry. The ship — the Mariam — cannot travel directly to Gaza because Lebanon is technically at war with Israel, forcing the boat to pass through a third country before heading to the Palestinian territory. Organizers said Sunday they are in contact with Greek authorities to allow the ship to

dock there before proceeding to Gaza. They did not give a new departure date. The ship will carry aid and activists, organizers say. Israel has urged Lebanon to prevent the vessel from sailing to Gaza. The Lebanese expedition comes after Israeli commandos boarded a flotilla of Gaza-bound ships on May 31, killing nine activists.

Iraq

Political front

London, Asharq Al-Awsat- A source in the Iraqi National Alliance disclosed that "35 members of the State of Law Coalition [SLC] headed by outgoing Prime Minister Nuri Al-Maliki have contacted the IISC and expressed their determination to split off from the SLC and join any alliance that brings together the Al-Iraqiya Coalition, led by former Iraqi Prime Minister Dr Iyad Allawi, and the IISC, including the Al-Sadr movement led by Muqtada al-Sadr". The source pointed out that "there are deep differences within Al-Maliki's coalition because he insists on nominating himself to head the next government. The first sign exposing these differences is the resignation of Tariq Najm Abdullah, the director of Al-Maliki's office, who is described as the strongman in the prime minister's office, the Al-Dawa Party, and the SLC".

Iraq's Prime Minister Nuri al-Maliki and former premier Iyad Allawi have resumed negotiations aimed at forming a government after falling out briefly over a sectarian row, senior politicians said on Friday. Iraq has drifted in a dangerous political vacuum since a March election produced no outright winner. Osama al-Nujaifi, a senior member of Allawi's Iraqiya, said Allawi had agreed to resume talks with Maliki's State of Law bloc after breaking off talks because Maliki described Allawi's group as "Sunni", rather than cross-sectarian. "Allawi received a letter the day before yesterday from Maliki regarding the last stand made by Iraqiya.

Status of US forces

Iraq is going through a critical stage that requires the utmost vigilance in view of the withdrawal of U.S. combat forces, a senior Iraqi security official has told RFE/RL's Radio Free Iraq. Major General Qasim al-Musawi, spokesman for the Baghdad Operations Command, said that Iraqi security forces were being trained to take over. "Orders have been issued to the security forces to be on the highest state of vigilance and alert, especially at this critical stage as the US combat forces pull out of Iraq and Iraqi security forces prepare to assume full combat responsibility," Musawi said.

Palestine

Arab League chief Amr Moussa said Sunday he had little hope that direct talks between Israel and the Palestinian Authority, which are due to start on Thursday, will be successful. He also said he will not seek re-election as secretary general of the Arab League after his second mandate expires in March. "We are hoping that talks will succeed but we are all very pessimistic about the viability of the peace process because of the past experience," Moussa told Reuters in an interview on the sidelines of a political conference in Slovenia.

Detailed news

Egypt

Political front

Standing issues

Despite a more stringent selection process, the list of NDP parliamentary candidates is unlikely to contain many surprises, reports Gamal Essam El-Din NDP leaders during the party's annual conference last year. Septuagenarian old-guard politicians, cabinet ministers and business tycoons, have swamped the list of wannabe ruling National Democratic Party (NDP) candidates for the upcoming People's Assembly election. When the registration process opened on 21 August, the list included the vast majority of the party's senior officials as well as business magnates who are members of the NDP secretariat-general and the powerful Policies Committee, led by Gamal Mubarak, the younger son of President Hosni Mubarak. As expected, the list of septuagenarians included: Fathi Sorour, 78, speaker of the People's Assembly since 1990; Zakaria Azmi, 74, chief of President Hosni Mubarak's presidential staff, an NDP MP since 1978 and the party's assistant secretary-general since 2002; and Kamal El-Shazli, 76, a member of the NDP's political politburo who first became an MP in 1964. El-Shazli, who underwent surgery in the US last February, insists that he is in good health and ready to contest the elections in the Delta governorate of Menoufiya. Seven cabinet ministers have also registered: existing MPs Minister of Finance Youssef Boutros Ghali; Minister of Social Solidarity Ali Meselhi; Minister of Military Production Sayed Mashaal, and four faces new to parliament, Minister of State for Legal and Parliamentary Affairs Moufid Shehab; Minister of Irrigation and Water Resources Mohamed Nasreddin Allam, Minister of Investment Mahmoud Mohieldin and Minister of State for International Cooperation Fayza Abul-Naga. Shehab's candidacy was the biggest surprise. Shehab, 75, a member of the Shura Council since 1989, had his membership renewed for another six years by President Mubarak following June's mid-term Shura elections. In a telephone interview with Al-Ahram Weekly Shehab said he wanted to be the NDP's candidate in Alexandria's downtown district of Moharram Bey in order to "serve the people of the district where I was born". "I respect my role in the Shura Council but I believe that I will be more capable of doing my job if I am both a cabinet minister and a member of the People's Assembly." Shehab will be obliged under the constitution to resign from the Shura Council should he become a member of the People's Assembly. Shehab's decision to register as a candidate fuelled rumours that he may replace Sorour as speaker of the People's Assembly. An expert on Egyptian domestic politics as well as international law, he was selected by President Mubarak to head Egypt's delegation to the Arab summits held in Syria in 2008 and Qatar in 2009. "I seek to be a member of the People's Assembly in order to serve the people of my district. It is up to the political leadership to decide whether I remain a cabinet minister or be moved to another position," said Shehab. However, Shehab denied rumours that he will take the post of speaker of the People's Assembly. Other cabinet ministers are also expected to register before the door on registration closes next Saturday. They include Minister of Industry Rachid Mohamed Rachid; Minister of Labour and Immigration Aisha Abdel-Hadi, and Minister of Housing Ahmed El-Maghrabi. According to NDP Secretary-General Safwat El-Sherif, NDP rules on selecting candidates will be applied stringently. "Everyone will be subject to the party's three criteria in selecting candidates -- opinion polls, electoral colleges and internal elections," he said. The NDP's decision to impose a registration fee of LE15,000 for those seeking to be representatives of professionals, and LE10,000 for representatives of workers and farmers, has discouraged many from registering. "The registration fee should be considered as a donation to the party. It is intended to ensure that candidates

are serious and will help defer campaign costs," says El-Sherif. Topping the list of NDP business candidates are steel tycoon Ahmed Ezz, NDP secretary for organisational affairs and chairman of the People's Assembly Budget Committee; Mohamed Abul-Enein, chairman of the Industry Committee; Tareq Talaat Mustafa, chairman of the Housing Committee and the brother of Hisham Talaat Mustafa, the former Shura Council NDP member who is facing trial on murder charges. Tareq surprised many by giving LE1 million to the party when he applied to be its candidate in the east Alexandria district of Sidi Gaber. Other business tycoon candidates include ceramics mogul Mustafa El-Sallab, deputy chairman of parliament's Economic Committee, standing in Cairo's Nasr City; construction magnate Mohamed El-Morshidi, standing in Maadi; retail tycoon Talaat El-Qawwas in Cairo's Abdine district; tourism tycoon Khaled Khairi, standing in Alexandria's Attarin; industrialist Mahmoud Khamis in 10 Ramadan city and banker Abdel-Rahman Baraka. Among the longstanding politicians who have registered are Hamdi El-Sayed, chairman of parliament's Health Committee and head of the Doctors' Syndicate; Abdel-Ahad Gamaledin, NDP parliamentary spokesman, and Hussein Megawer, chairman of parliament's Labour Committee and head of the General Federation of Egyptian Trade Unions (GFETU). Al-Ahram political analyst Amr Hashem Rabie says the list of those seeking to be NDP candidates suggests that there will be little change in the hierarchy that has dominated the party since at least the 1990s. "Once again," says Rabie, "political influence will be divided among old-guard politicians and increasingly influential businessmen." "While this reflects the current balance of power within NDP circles it acts against the possibility of change and injecting new blood in parliament." Many members of the NDP have complained that the new rules governing the evaluation of potential candidates makes the process tough and costly. "Those seeking to be party candidates will be required not only to donate large amounts of money, but also commit themselves to not running as independents should their nominations be rejected," said one NDP member speaking on condition of anonymity. Until the Weekly went to press, the number of candidates registering was less than 1,000, far fewer than the 5,000 that had been anticipated. Ahmed Ezz has said all candidates will face a tough evaluation. "They will have to go through three stages before being selected by the party: opinion polls, electoral colleges and internal elections." He adds that 600,000 people will be polled, including party members and the general public, in an attempt to gauge the popularity and reputation of every candidate. "This stage will be followed by the meeting of electoral colleges at the beginning of September, and then by internal elections at the end of the month," said Ezz. "More than two million NDP members will participate in the internal elections." Ezz also indicated that the NDP's annual conference, scheduled for 9-10 November, will be devoted to discussing the party's election campaign. People's Assembly elections will be held in the last week of November, with the run-off stage scheduled for the first week of December.

Race of signatures

The race to collect signatures in support of presidential candidates continues as opposition parties and the Muslim Brotherhood wonder whether or not to boycott parliamentary elections, reports Gamal Essam El-Din. Senior officials from the ruling National Democratic Party (NDP) denied this week that the party had a hand in organising the campaign supporting a 2011 presidential bid by Gamal Mubarak, the

younger son of President Hosni Mubarak and chairman of the NDP's influential Policies Committee. NDP Secretary-General Safwat El-Sherif announced that "the ruling party is strongly against the pro-Gamal Mubarak campaigns". "Let me say very clearly that there is no doubt that President Mubarak will be the NDP's candidate in the 2011 presidential election," said El-Sherif. "President Hosni Mubarak is our only option and we will announce this during the NDP's annual conference, scheduled for 9-10 November."

According to El-Sherif, the pro-Gamal Mubarak campaigns "are haphazardly organised". "The ruling NDP would never condone campaigns organised in such a frivolous way. They are individual initiatives with which party leaders have no connection." El-Sherif revealed that the party's secretariat- general meeting on 18 August had discussed the campaigns. "I affirm that the 34-member secretariat, which includes Gamal Mubarak, rejects the campaigns," said El-Sherif. "Some people thought that by organising these campaigns they could sow the seeds of division in the party. What I would say to them is that the NDP is bigger than they are and Egypt can never be manipulated by posters or online Facebook campaigns." El-Sherif wondered "what we, as NDP leaders, can do to stop such pro-Gamal Mubarak campaigns". "Should we intervene and ask the Interior Ministry to remove the pro-Gamal Mubarak posters or what?" He concluded that, "all we can do is to urge people to see these campaigns as an exercise in freedom of speech and nothing more." El-Sherif's press announcement was the strongest reaction so far on the part of the NDP's old guard against the pro-Gamal Mubarak campaigns. It was clearly intended to end reports suggesting that President Hosni Mubarak will step down next year for health reasons, thus allowing his son Gamal to launch a presidential bid. "President Hosni Mubarak is in good health," said El-Sherif. "He will visit Washington next week to attend the launch of Palestinian-Israeli direct talks." The pro-Gamal Mubarak campaigns continued despite El-Sherif's remarks. The so-called Popular Coalition for the Support of Gamal Mubarak (PCSGM), founded three months ago, focussed last week on Cairo's densely-populated poorer districts. Hundreds of posters were plastered on walls in Manshiyet Nasser, bearing the words "vote for Gamal Mubarak for the sake of Egypt and its people". The campaign organisers say they have already collected more than 3,000 signatures from ordinary citizens in the latest phase of the campaign. Daker Abdallah, PCSGM's organiser in Manshiyet Nasser, insists they are well on the way to making their target of 10,000 signatures in the first week. "Our aim," he said, "is to silence the opposition and Muslim Brotherhood who believe that they will one day govern Egypt." Magdi El-Kordi, PCSGM's coordinator, said the pro-Gamal Mubarak campaign has mobilised more than 8,000 young activists. He denied rumours that NDP businessmen, especially the banking tycoon Ibrahim Kamel, are funding the campaign. "All I can say is that the NDP's old guard are spreading false rumours about our activities. We all know that they do not want Gamal Mubarak to be the president of Egypt because when he comes to power he will rid the country of all the symbols of corruption," he said. A second pro-Gamal Mubarak campaign, organised under the slogan "Your vote is a trust", also focussed on poorer Cairo districts like Al-Zawya El-Hamra, Al-Shorabiya, Al-Sahel and Shobra as well as the middle-class district of Hadayek Al-Qobba. Marwa Hodod, the campaign coordinator, said on 20 August that "the signatures we have collected in support of Gamal Mubarak have increased from 22,000 to 48,000 in a single week". The campaign organised three months ago in support of Mohamed El-

Baradei, the former director of the International Atomic Energy Agency (IAEA), also continues apace. The campaign's organisers announced on 20 August that more than 800,000 Egyptians have signed up in support of El-Baradei's political reform manifesto "Together for Change". Officials of the National Assembly for Change (NAC), founded last February by El-Baradei, claim they have gathered 660,000 signatures online, with another 145,000 signatures collected on paper documents. Muslim Brotherhood MP Saber Abul-Fotouh expects the total to reach more than a million by the end of this week. The Brotherhood is actively participating in gathering support for El-Baradei's seven-article manifesto which calls for independents to be allowed to submit presidential bids. Brotherhood officials allege that out of 660,000 online signatures, their website was responsible for collecting 560,000. Abul-Fotouh says the number could exceed three million by the end of the holy month of Ramadan. Many NDP officials have questioned the authenticity of signatures collected online. "How can change be achieved on the basis of signatures collected via Facebook and other websites when most of them are invalid?" asks El-Sherif. NDP officials stress that regardless of numbers, the pro-Baradei signatures carry no legal weight. Speaker of the People's Assembly Fathi Sorour, in an interview with Al-Ahram journalists on Saturday, underlined that "ways of amending the constitution are clear and they do not include collecting signatures or any other frivolous practice". Al-Ahram political analyst Wahid Abdel-Meguid argues that "in addition to the fact that most of the signatures in support of El-Baradei cannot be verified those who are organising the campaigns just want to collect one million signatures to send the message to the outside world that there are a lot of Egyptians who want change and support El-Baradei as a president". Meanwhile, opposition parties and the outlawed Muslim Brotherhood are still torn over whether or not to boycott the upcoming parliamentary elections, scheduled for the last week of November. The Coalition of the Egyptian Opposition Parties (CEOP) -- which includes Wafd, Tagammu, the Nasserists and the Democratic Front -- met on 18 August to discuss a document calling on President Hosni Mubarak to amend the 1956 law on the exercise of political rights to include new guarantees aimed at ensuring the parliamentary elections are marked with integrity. The document called for the polls to be placed under the full supervision of judges from the Court of Cassation and for the proportional representation slate system to replace the individual candidacies currently in place. El-Sayed El-Badawi, chairman of the Wafd Party, called on President Hosni Mubarak to make use of his constitutional prerogatives to summon the People's Assembly for a meeting before the end of the second week of November to discuss their document on election guarantees. El-Badawi told a meeting with Wafd leaders on 22 August that the regime should "expect a harsh response from us if they ignore our demands for election guarantees". "We still believe that the principle of a judge for every ballot box should be re-instituted. It is the best guarantee for ensuring that integrity is the hallmark of the polls," said El-Badawi. CEOP leaders have so far refrained from threatening to boycott the polls. Lawyer Bahaeddin Abu Shoka, a Shura Council member and deputy chairman of the Wafd Party, said "boycotting the polls is like committing political suicide". Abu Shoka made it clear that it was up to the General Assembly, which convenes on 17 September, to decide whether or not to boycott the polls. "There will be a secret ballot, and every member will vote on the boycott. I think most will reject it." The majority of CEOP members, with the exception of the Democratic Front party, are currently rolling up their sleeves in preparation for the

parliamentary elections. Muslim Brotherhood leaders say that they are waiting for a final response from CEOP members. "We all adopted the principle 'let every one participate or everyone boycott'," said Brotherhood Supreme Guide Mohamed Badei. Brotherhood MPs, however, insist that "the movement's guidance office has reached a decision that participation is more effective than opting for a boycott".

Call for Muslim Brotherhood boycott grows

Most of Egypt's opposition parties are urging the Muslim Brotherhood, the country's largest and oldest opposition group, to boycott legislative elections in November. Mohamed ElBaradei renewed his call through Twitter on Saturday that "only by boycotting the elections and signing [the] petition for change can we be credible and impose our will on a repressive regime. Let us all unite." Mr ElBaradei, 68, who many see as a viable candidate for president in 2011, has been urging Egyptians to boycott the November elections unless the constitution is amended to restore local judicial supervision over elections. He also wants international monitors to observe elections and Egyptians living abroad to be able to vote. He believes engaging in elections under current laws would be giving the regime a legitimacy that he says it is desperate for but does not deserve. Mr ElBaradei's National Association for Change (NAC) as well as the Muslim Brotherhood have been collecting signatures for a reform campaign. They have a joint website that says they have gathered 675,000 signatures so far. The petition lists seven demands, including allowing independents to run for president and lifting the country's emergency laws, which critics say stifle dissent. Mr ElBaradei, a Nobel prizewinner and the former director general of the International Atomic Energy Agency, said he believes that the regime cannot ignore those demands if at least one million Egyptians sign the petition for reform. He is expected back in the country in early September after spending his summer abroad. The Brotherhood had said it would help Mr ElBaradei collect signatures, but said the decision to boycott the elections or participate in them must come from within the group. The Brotherhood has been banned since 1954, but its members have run as independent candidates in every legislative election since 1984, except for 1990. They won 20 per cent of the seats in parliament when they ran in 2005, but have not won any seats in any city council or parliament's upper house in elections since then. For the fourth consecutive year, state security orders prohibited hotels and clubs from hosting the Brotherhood's annual iftar. The group used to host iftars in the spacious ballrooms of five-star hotels, where more than 1,000 members, prominent figures and media representatives regularly attended. This year's event was instead held on Wednesday at the Muslim Brotherhood's headquarters for its 88 lawmakers last week. About 50 leaders of political parties, opposition groups and activists attended and almost all urged the Brotherhood to boycott the elections. "Rigging the upcoming elections is inevitable," said Hassan Nafaa, a political scientist and leading figure with the NAC. "We shouldn't take part in rigged elections, as we don't want to participate in forgery. Can we, the opposition, all boycott the upcoming elections? If we can't, that would be a catastrophe," he said. Mr Nafaa added that an effective boycott would "shake the pillars of the regime".

Ayman Nour, leader of el-Ghad opposition party, who finished a distant second to Hosni Mubarak in the 2005 presidential elections, said he has changed his mind about taking

part in November elections. "I used to be a staunch believer and caller for participating in elections," Mr Nour, 45, said. "Today there are no elections to start with. It's absurd." Mr Mubarak's National Democratic Party (NDP) is often accused of rigging elections through intimidation and bribery. Many believe that Mr Mubarak's youngest son, Gamal, 46, is being groomed to succeed him. Over the past month, posters of Gamal, a former investment banker and head of the NDP's influential policies committee, have been plastered around Cairo and other provinces by a group called the Popular Campaign to Support Gamal Mubarak. Other groups are collecting signatures for a petition supporting him as presidential candidate. Although the NDP denies any involvement in the campaign, reports claim that businessmen close to Gamal Mubarak and who are senior members of the NDP are behind the campaign. Hosni Mubarak, 82, has been in power since 1981 and has not yet announced if he will run in 2011. He urged political parties and citizens last week to "actively take part in the upcoming parliamentary elections". He vowed that they will be "free, transparent and fair". Saad Aboud of Al-Wafd, Egypt's oldest liberal party, also urged the Brotherhood to boycott elections. Mohammed Badie, the Brotherhood leader, told those at the iftar that he wants the Brotherhood to carefully consider the implications of a boycott before making a decision on it. "We need a calculated study, as it's the Egyptian people who are the ones who will either participate or boycott. "Unite your stance, and we won't let you down."

Gamal Mubarak on NDP policies in TV interview

Gamal Mubarak, secretary general of the National Democratic Party's (NDP) policies committee, said that the party will announce its electoral program for the upcoming parliamentary race in due time. Speaking Thursday evening in a television interview on "Masr El-Naharda" (Egypt Today), which airs on terrestrial Channel 2, the president's 46-year-old son added that the party does not need to list its achievements and shortcomings in the latest parliamentary session since this is what they discuss in the annual conference. It is widely believed that Gamal Mubarak is being groomed to succeed his 82-year-old father, and the idea of succession has been a topic of debate and ire for years. Gamal Mubarak denied popular opinion that accuses the NDP of focusing solely on economic developments that serve businessmen and the wealthy elite while disregarding social development in the country. "These are all just (catchy) headlines, that seek to grab the people's attention before the election season," he said. However, Amr Hesham, researched at Al-Ahram Center for Political and Strategic Studies, told Daily News Egypt, "Whether it is politically or economically, the NDP focuses on its own interests as a party and the interests of the businessmen." "More than 20 percent of the people live under the poverty line, around 10 percent are suffering from unemployment. In order to receive decent education or health care, you need to pay a lot of money which only the wealthy can afford," he added. In the interview, Mubarak said that the law approved by the People's Assembly to increase salaries by 120 percent in 2005 and raise pensions of around 3 to 4 million citizens, as well as expanding the usage of ration cards, is evidence that the NDP does care about the people.

Official spokesman of the Citizens Against High Prices movement, Mahmoud Al-Askalany, told Daily News Egypt: "What Gamal Mubarak said completely contradicts the reality we live in, Egyptian families are dying from hunger." "The ration cards don't

supply families with their needs, they have to buy the rest of their needs — sugar, oil and other products — from the market at very expensive prices,” he added. On the significant hike in food prices and basic commodities, Mubarak said, “This a big problem people are facing,” adding that the NDP will not reduce its subsidies of basic goods and commodities. “We are merely rationalizing subsidized goods, not reducing [them], so we can provide for the poor families,” he said. Al-Askalany, however, said that “the government’s policy of subsidizing consumer goods isn’t enough.” “The government’s economic policies only serves businessmen, not the poor, there’s no justice in income distribution,” he added. “The middle class is disappearing because of the government’s policies, the gap between the rich and the poor is increasing rapidly, this will eventually lead to a clash between classes and the government will end up paying the pay price for its policies,” he added. On that note, Mubarak said, “Some people say our social efforts are not distributed equally among the society, we can have a serious conversation about this and discuss it. We welcome criticism because that puts us on the right track.” Mubarak spoke of his visits to 15 villages around Egypt in accordance with the Millennium Village Project, a UN development program that address poverty, health, gender equality and disease. “The purpose of the visits is to listen to the people to set priorities,” he said. Several campaigns have been launched recently in support of Gamal Mubarak as the next president. Both father and son have denied any plan for a family succession and government officials have knocked down reports that the incumbent president is too ill to serve a sixth term.

Brotherhood 'unprepared to rule' Egypt

Egypt's largest-but-banned opposition group is not yet ready to take power in the country, a prominent supporter of the outlawed Muslim Brotherhood said in a newspaper interview Saturday ahead of parliamentary elections in November. Muntasser al-Zayat, a Muslim Brotherhood activist and lawyer. “I think it's not time yet for Islamists to be in power,” Muntasser al-Zayat, a Muslim Brotherhood activist and lawyer, told Asharq Al-Awsat newspaper. “Of course, the Brotherhood is the most experienced Islamist group to play a role in Egypt's political life ... but I think it is a blessing from God that no Islamist faction reached power in Egypt,” he added, referring to previous election efforts by the group. He told the paper that opponents of the Brotherhood were seeking to watch it fail and the Islamists needed to be in a better position before seeking power.

The Brotherhood is technically banned in the country, but has members in parliament who ran as independents. These undeclared legislators in 2005 captured 88 seats in the People's Assembly, or the lower house, but they failed to win any seats in the June's elections of the Shura council, or higher house of parliament. Some members have called for a boycott of the November elections, saying the odds were stacked against them by the Government, and in doing so would deprive President Hosny Mubarak and his National Democratic Party (NDP) of legitimacy. Earlier this week, speaker of the Shura Council Safwat El-Sherif said the ruling NDP decided to nominate Mubarak, aged 82, for a sixth term in office. The president is the longest ruler of Egypt since Mohamed Ali, the founder of the country's last monarchical dynasty, who died in 1849. Egypt's next presidential election is scheduled for 2011. Mubarak has not yet accepted the nomination. He has also named no successor and has no vice president, making the question of who will rule Egypt next a common topic in the media and among citizens.

Rumours persist that he is grooming the head of the NDP, his son Gamal Mubarak, aged 47, to take over, though the party and Mubarak have denied the reports.

Egypt: Dissident Signs Pro-Gamal Mubarak Petition

An Egyptian-American dissident and former advocate against heredity succession in Egypt has signed a petition backing the president's son to run in next year's elections. Sociologist Saad Eddin Ibrahim gained prominence for being one of the first to criticize a trend toward sons succeeding their fathers in the Middle East in 2000, which earned him the ire of the regime and a three year court battle to stay out of prison. "I signed (the petition) to support his right as a citizen to run, but I don't endorse him," Ibrahim said in a brief comment to the Associated Press on Monday while getting ready to board a flight to the United States. Ibrahim's apparent reversal has stunned the opposition which has coalesced around the issue of stopping the president's son from succeeding his father. The petition Ibrahim signed on Sunday is part of a campaign to nominate the 46-year-old investment banker-turned-politician even while President Hosni Mubarak himself has not said if he will serve another term. The signatories of the petition "authorize" Gamal Mubarak to nominate himself for the presidency and represent all Egyptians. Magdy el-Kurdi, the coordinator of the new pro-Gamal campaign, described Ibrahim's endorsement as "a positive change in his position toward Gamal." "Dr. Saad used to say that nomination means heredity succession, now he says if Gamal secures popular support, this won't be hereditary," said el-Kurdi, a previously unknown member of a left-wing opposition. After Ibrahim criticized apparent efforts by Mubarak to secure the presidency for his son in interviews and articles in 2000, he was charged with embezzlement and tarnishing the image of the country. Over a period of three years he battled the charges in a string of court cases and was imprisoned twice until his final exoneration in 2003. The U.S. administration criticized his incarceration and the issue became a sore point between the two governments. According to el-Kurdi, Ibrahim's move will give a boost to his campaign, known as the "the Popular Coalition to Support Gamal Mubarak for Presidential Elections," which emerged out of the blue last month, covering the streets of lower income neighborhoods with pro-Gamal posters. El-Kurdi said so far 100,000 signatures supporting Gamal's candidacy have been collected. The campaign is widely believed to be a trial balloon by certain factions of the ruling National Democratic Party testing Gamal's popularity ahead of a possible presidential run. Hassan Nafaa, coordinator for opposition movement which is backing the nomination of Mohamed ElBaradei, former head of atomic watchdog, condemned Ibrahim's move. "He's either lost his mind or there is a deal with the ruling regime," he told AP. "This is a miserable fall for Saad and no one is going to believe him anymore." Ibrahim has also signed ElBaradei's petition calling for constitutional changes to open up the political process so that more people can participate, but Nafaa said there was a major difference between the two measures. "The opposition are deprived of the right to run while Gamal's door is open in front of him and running for elections is just up to him and to his father," he said.

Geo strategic front

Mubarak, Sarkozy discuss ME peace talks

Mubarak will discuss the talks with Sarkozy on Monday during a stopover on his way to Washington to join the inaugural meeting between Israeli Prime Minister Benjamin Netanyahu and Palestinian president Mahmud Abbas, the flagship Al-Ahram newspaper said. Thursday's meeting will launch the first direct negotiations between the two sides since the Palestinians broke off talks in December 2008 after Israel launched a devastating offensive against the Gaza Strip.

Pushing for peace Why is Egypt spending precious political capital on shaky US attempts to kick-start MidEast peace talks? Dina Ezzat seeks an answer Nothing is certain about the outcome of direct talks that will be launched next week between the Palestinian Authority (PA) and Israel. This is the short assessment of concerned Egyptian diplomats on the new diplomatic drive set to be put in motion 2 September in the US capital. Slated to be present at the launching ceremony are US President Barack Obama, Palestinian President Mahmoud Abbas and Israeli Prime Minister Binyamin Netanyahu. President Hosni Mubarak and Jordanian King Abdullah will also attend. The presence of the heads of the two Arab states that have already signed peace deals with Israel is meant -- according to Egyptian and Jordanian diplomats -- to lend maximum support to Abbas who has been reluctant to go to talks that he suspects, according to a senior Palestinian aide, will produce nothing. According to Presidential Spokesman Suleiman Awwad, Mubarak is expected to make a statement before the participating leaders to underline the need for prompt negotiations that could spare the Middle East from decades of instability and bring about a fair peace deal. Mubarak's statement, Awwad added, will be inspired by a long "unmatched" accumulative experience in Arab-Israeli negotiations since the launch of Egyptian-Israeli peace talks when Mubarak was vice-president to late president Anwar El-Sadat. Cairo in particular has been instrumental in conveying positive vibes to a hesitant Abbas, cautioning that it would be "unwise and indeed harmful to lose the direct engagement of Obama or to let Israel convince [Abbas that he] is incapable of negotiating for a final deal," according to one Egyptian diplomat. Meanwhile, Egyptian officials announced details of phone calls and messages exchanged with US counterparts preparing the ground for the launch of direct talks absent tangible guarantees from the US or concrete commitments from the international community on where these talks should lead, or on what basis and timeframe they should be conducted. "Of course we have no reason to antagonise Obama who made it very clear that he would not take no for an answer on launching these talks," one Egyptian diplomatic source said. He added that the US looks to Egypt as a key mediator in the region and Egypt has to be up to the job or else the US will count on other regional partners. Some Egyptian diplomats who have taken part in managing Egyptian- American relations over the past couple of decades say it would be absurd for Egypt to abandon this role. "Our role in helping with the settlement of the Arab- Israeli conflict and in promoting the moderate ideology across the region is valued by the US. We are the moderates and we act accordingly," said one. On the other hand, these same diplomats acknowledge that Egyptian- American relations have always been -- and will always be -- haunted by Israel. On the record, these officials like to argue that it is not a three-way relationship but a bilateral relationship between Cairo and Washington. Speaking on background, however, they acknowledge that when it comes to the Middle East it is unrealistic to expect the US to depart from the Israeli agenda. "This applies to Turkey, which is a NATO member, and it applies to Iran, which is an adversary of the West, and it also applies to the Arab countries who have all

presented Israel with political and diplomatic gestures to please the US. Egypt is no exception," said an Egyptian diplomat responsible for relations with the US. For their part, US diplomats acknowledge "Egypt's crucial role in promoting Middle East peace". It is this "role", they say, that encourages the US administration to annually pass economic and military aid packages to Egypt. "Every time there have been problems [between Israel and Egypt] things were not easy. This year things were not at all problematic," said one US diplomat in reference to the US Congress. "It is very true. When Israel complains its many friends in the Congress start making problems for Egypt and it becomes difficult for the friends of Egypt in the Congress -- and they are much fewer of course -- to defend the Egyptian interests," said an Egyptian diplomat in Washington. For the past few years, Egypt has been avoiding confrontation with Israel in order to avoid getting into parallel arguments with the US. The less biased positions of the Obama administration towards Israel have caused no change in the policies of Egypt at the official level, despite much criticism from the opposition. Indeed, the participation of President Mubarak himself in the launch of uncertain direct talks is indication, say Egyptian diplomats, of how far Egypt is willing to go in engaging the Obama administration. For Gamal Abdel-Gawwad, director of Al-Ahram Centre for Political and Strategic Studies, it is worth it for Egypt. He argues that the Obama administration is willing to put some pressure on the Israeli government, on freezing settlement expansion and on the timeframe of peace talks. "It is essentially in the interest of Egypt to keep the US involved at the highest level possible in pursuing Middle East stability," if not Middle East peace. Abdel-Gawwad argues that when Mubarak and King Abdullah choose to invest political capital in the launch of direct talks, despite many reasons for scepticism, Arab capitals will be in a better position to demand that Washington stick to certain key parameters for a final settlement, in order to produce as good a deal as possible for the Palestinians. "I know that it is easier and in fact safer to be pessimistic over Middle East peace, but it would be unscientific to suggest that this new round of talks has zero chance of delivering a deal," said Abdel-Gawwad who promptly added that "the difficulties are immense but the exercise is not futile". For their part, Egyptian diplomats add another reason for the decision of Mubarak to take part in the 2 September event: to talk bilaterally with Obama. Mubarak was scheduled to visit Washington for a summit with Obama this spring. The plans were disrupted by Mubarak's health problems. Today, there is much that Mubarak wants to discuss with the US president, both in terms of bilateral and regional issues. The agenda includes reviewing internal political developments in Egypt and the situation in Sudan with an upcoming referendum on unity. "Mubarak and Obama will hold a bilateral meeting that will cover a wide range of issues of concern, and yes, more US exports of wheat to Egypt could be on the agenda," said an Egyptian official. It is also expected that the regime, said Abdel-Gawwad, will try to solicit US support for "the pace and modalities of domestic political reforms in Egypt" ahead of legislative and presidential elections this and next autumn.

Economic front

Power cuts and high prices spark Ramadan ire in Egypt

Power and water cuts, soaring costs, scorching heat and anxiety over the country's supply of wheat are causing frustration in Egypt during the Muslim holy month of Ramadan. Angry villagers cut off a highway in the Fayoum governorate in protest at power cuts last week. The police were sent in to quell the demonstration, but the problem of power outages has not been resolved. Elsewhere a young man with a heart condition was reported to have died amid a crowd jostling to buy bread. Independent newspapers called him "the first victim of the bread queues in Ramadan." Protests are picking up across Egypt, usually over water or power cuts. And with three months to go until a parliamentary election, the ruling National Democratic Party (NDP) has reportedly been embarrassed by the breakdown in essential services. One reason for the problem for this is the increased demand for power in the evening and night during Ramadan, while another is old and out-dated infrastructure. Prices are also soaring because of increased consumption during the holy month, when Muslims fast from dawn until sunset but feast during the hours of darkness. Newspapers report increases in the prices of sugar, rice and vegetables -- up to 30 percent in some places. Meat and poultry prices have risen even more. "Everything has gone up -- vegetables, meat, poultry, fish, macaroni, but wages haven't seen any changes," said Hekmat Suad, a government employee. "Employees have to borrow from family and friends," she added. Kamal Salem, a driver, said: "There are now queues for everything, whether meat or bread," referring to queues outside government associations where cheaper products are sold. A recent decision by Russia to suspend wheat exports has also increased anxiety in Egypt, the world's largest wheat importer. Russia -- the world's third largest wheat exporter -- said it would ban the export of grain from August 15 until December 31 to keep prices down at home amid the worst drought to hit the country in decades. Egyptian government officials say they have the situation under control. Trade Minister Rashid Mohammed Rashid said there is enough stored wheat to produce bread for four months, a vital source of nourishment in a country where 40 percent of the population subsists on two dollars or less a day. In the longer term, the electricity ministry has promised to build new power stations, and officials also talk of plans to build a nuclear reactor on the Mediterranean coast in the west. But for the moment, the ministry has called on Egyptians to conserve power and cut back on display lights and the large lanterns that adorn homes and buildings during the month of Ramadan. Three months ahead of the parliamentary election expected in November, the NDP is reportedly increasingly dissatisfied with the government's performance. The independent daily Shorouk reported on Saturday that the power outages and recriminations between the oil and electricity ministries over who is responsible for them have embarrassed the ruling party. There is also renewed protest against a gas deal that supplies Israel with an estimated third of its natural gas consumption, with some linking the power cuts to gas shortages, the newspaper reported. Israel and Egypt signed a peace deal in 1979, but relations between the two states can be strained at the best of times. The oil minister, Sameh Fahmi, blamed the high summer temperatures for difficulties in pumping the natural gas to power stations, Shorouk reported.

World Bank grants Egypt 1.2 bil Egyptian pounds for wind energy

The Board of Executive Directors of the World Bank approved a grant to Egypt, a loan of \$1.2 billion Egyptian pounds to support the development of wind energy. 800 million pounds will be provided by the Clean Technology Fund, which will be a first for the fund

in the Middle East and North Africa. The project will support the strategy of Egypt towards renewable energy, which is attaching a high priority program to generate electricity on a wide range of renewable energy sources, “which help to achieve national objectives and regional savings in fossil fuels, environmental protection, creation of job opportunities that takes into account environmental considerations and technology transfer,” the ministry of environment told Bikya Masr on Sunday. “According to the loan, we will be able to keep pushing forward on the goal of getting wind power functioning for at least 20 percent of our energy needs by the end of the decade,” an official from the Egyptian Environment Action Agency (EEAA). Egypt is among those countries with the best sources of wind power in the world, particularly in the Gulf of Suez, the World Bank said, “where the possibility exists to generate at least 7200 MW by the year 2022, as well as 3000 MW, on the Eastern and Western banks of the Nile.” The ministry said, within the framework of its strategy to develop renewable energy sources on a large scale, it is “working to produce 20 percent of the installed capacity to generate electricity from renewable sources by 2020.”

Social front

Religious freedom at stake in Egypt

If you don't fast during Ramadan in Egypt, lie about it and hide it. If not, you might land in jail. Egyptian Muslims celebrate the first day of Eid al-Fitr last year at the stadium of the Nile Delta city of Mansura, 120 km north of Cairo, marking the end of the holy fasting month of Ramadan. Tarek Elshabini, a 21-year-old engineering student, is Muslim, but only according to his personal ID card. Every year when Ramadan comes, he faces a dilemma: he doesn't fast because he's an atheist, but everyone, including police officers, expects him to fast because he was born into a Muslim family. In order to avoid any possible clashes between Elshabini and his family due to his non-religious credo, he decided to move away for a while until his relatives are able to live with the new reality. Most families in what Gallup has called the most religious country on earth would find it too bitter to swallow the fact that a son of theirs does not believe in the existence of God. Elshabini managed to make his getaway by finding a job in Hurghada as a bar tender at a nightclub, and on his second day in the Red Sea tourist city, he had to go to the police station to verify his criminal record, as required by his new employer. After a few hours of struggling with government bureaucracy, Elshabini managed to get a copy of his clean record sheet and was out of the police station at noon. To kill his thirst, he stopped at the kiosk across from the police station to buy a drink. He stood there, bought a can of soda and lit a cigarette. He had no idea that last Ramadan at least 150 people were arrested in Aswan and Hurghada, where he had just arrived, for eating, drinking or/and smoking in broad daylight during Ramadan. It was the first time this had happened in Egypt. It wasn't the last time, though. This year, two micro-bus drivers were arrested in Cairo for the same reason. A Ramadan crackdown was also carried out by police officers in Hurghada to arrest anyone caught eating, smoking or drinking in public before sunset. As Elshabini was smoking his cigarette and downing his soft drink, a plain-clothes officer came up to him and asked what his name was. He then invited him back into the police station. "At this point, I thought I might have forgotten something inside while getting my papers, and this very nice man was going to help me get it," Elshabini recalls.

Who is responsible? The officer knew from his middle name, Ahmed, that Elshabini was "Muslim". In Egypt, personal ID cards state the citizen's religion. The government of Egypt recognises only the three Abrahamic faiths: Islam, Christianity and Judaism. As such, atheists such as Elshabini have to state one of these religions in their ID card. The officer then told him he was under arrest on a charge of "public breaking of the fast", and locked him in the cells. For three hours no one would talk to him or tell him what was going on, until the officer who had arrested him came back. "I kept telling him I was sorry, and that I forgot that it was Ramadan and that I was fasting . . . anything just to get myself out of this," says Elshabini. Heba Morayef, a Human Rights Watch researcher, explains that there is no such crime as "public breaking of the fast" and that it violates both Egyptian and international law. "The arrest of people for smoking in public during Ramadan is illegal under both Egyptian and international law. These arrests are arbitrary in the absence of any legal provisions under Egyptian law," she says. After three hours of begging, Elshabini was finally released. "I'll believe you this time, and I'll let you out with no police report. How's that for a favour?" he says the officer told him. Morayef also believes that the arrests seem to be the product of initiatives by individual police stations, rather than a top-down policy pursued by the ministry of the interior. However, she argues that this does not absolve the government of responsibility for such illegal arrests. "The government must clearly issue instructions that its security officers do not have the right to arrest people who appear not to be fasting," she says. "Ramadan is the time of year that I would very much like to disappear from the face of the earth," says Elshabini. "Everybody is badly infected with this mass religious hysteria, and people start to interfere in other people's business."

Freedom is in danger Elshabini's story shows how Egypt's relatively secular police are becoming increasingly intolerant when it comes to freedom of religion. It also demonstrates the government's failure to acknowledge that there are people who might not believe in Islam, or Christianity, or Judaism. Nor does Egyptian law address this issue fully. Until last year, members of the Baha'i faith had to write "Muslim" on their ID cards because the law does not recognise Baha'ism as a religion. Last year, the courts allowed them to choose to leave the religion field blank. The arrests also show that freedom of religion and belief is in danger in Egypt, which has long been known for its relative religious tolerance, especially in contrast to the theocratic regimes elsewhere in the region, such as Saudi Arabia, most of the Gulf countries, Sudan and Iran. But it seems that, for the second year in a row, this is changing, at least on an unofficial level. "After three of the most humiliating hours in my life, I couldn't believe what was happening. At some point I thought this was a TV show or something -- that this was a trick. But unfortunately every part of what happened was real," Elshabini says. However, many Egyptians are against the crackdown. A Facebook group called "Egyptians from all beliefs are against the arresting of non-fasters in Ramadan" attracted about 800 members in just a few days. "Respect expected by people who fast should be based on personal choice," says Hany Freedom, the creator of the online group, choosing to go by his Facebook name. "Otherwise, how would the faster know if others are considerate out of conviction or only because they are forced to?"

Egyptian clerics preach moderate Islam

Islamic countries are keen to invite scholars from Egypt's Al-Azhar, the Muslim world's prestigious institution, because such clerics preach moderate interpretations of the Holy Qur'an, according to an Egyptian cleric who has been preaching in Bahrain for nine years and the broader Gulf region for more than two decades. [Islamic countries are keen to invite scholars from Egypt's Al-Azhar because such clerics preach moderate interpretations of the Holy Qur'an, according to an Egyptian cleric.] Islamic countries are keen to invite scholars from Egypt's Al-Azhar because such clerics preach moderate interpretations of the Holy Qur'an, according to an Egyptian cleric. “Scholars from Al-Azhar and Egypt's Ministry of Religious Endowments are welcome at Islamic centres in Europe, the US and across the Islamic world, not only during the month of Ramadan but throughout the year, and are well-known for being moderate preachers,” added Sheikh Mesbah Mohamed Ismail. Ismail is the Imam and religious guide of Ahmed Al-Fatih Islamic Centre and Bahrain's Grand Mosque. “Al-Azhar scholars are also invited to preach across the Muslim countries in Asia, Africa and at Islamic centres in South America, Russia and republic of the former Soviet Union,” he told The Egyptian Gazette. Al-Azhar is the most prestigious seat of religious learning in the Islamic world, teaching moderate interpretations of most schools of Islamic jurisprudence, especially the Sunni ones. Bahrain receives many Egyptian Muslim clerics each Ramadan to deliver sermons and lectures and they are respected across Gulf countries not only as experienced in Islam's teachings, but also as moderate in their perspectives, Sheikh Mesbah was in Kuwait before moving to Bahrain. Mesbah, who wear the traditional dress of Al-Azhar at official events only, wears the typical clothing of the Gulf when he gives his regular lessons at Al-Fatih Mosque in the Bahraini capital of Manama, on everything from Islam's perspective on non-Muslims and women, to the behaviour of devoted but moderate Muslims. Locals in Bahrain keen to seek his guidance regarding even the most personal issues. Mesbah's affinity with locals and expatriates alike is clear in their desire to shake hands with him after the lessons and to ask about things that might be private matters. “I like to attend Sheikh Mesbah's lessons for the simplicity of his way of explaining Islamic rules,” Rashid, a 38-year old Bahraini, told this newspaper. Clerics in Al-Azhar outfits are increasingly seen in Ramadan at religious events in Egypt and other Muslim countries. A programme was organised by Bahrain's Supreme Council for Islamic Affairs, for Sheikh Ibrahim Ramadan Al-Ghannam, the general director of religious guidance in the Egyptian Ministry of Religious Endowments, in mosques throughout the Gulf. Attendance in lectures delivered by Al-Ghannam was notably high. The same applied to a lecture delivered last week by the famed Egyptian preacher Mohamed Hussein Yaqoub in Manama. Other Egyptian scholars and clerics who recite the Holy Qur'an in Bahrain during Ramadan include Sheikh Hamdi Aql, Sheikh Faragallah Mamoud, Sheikh Youssef Mohamed Badr, Sheikh Fouad Abdel-Azim Mohamed, Sheikh Mohamed Abdel-Mawgoud, and Sheikh Mohamed Al-Tablawi. All of them are well-known either as moderate preachers or Qur'an reciters pleasant voices. The other day one of them thrilled locals and Muslims of various nationalities at Al-Fatih Mosque in Manama, which has a large number of Muslim expatriates from the Middle East and Asia. Egyptian clerics are noted for reciting the Qur'an in accordance with correct rules of reciting.

Lebanon

Political front

Hariri Vows to Spare No Effort to Protect Stability in Lebanon

Prime Minister Saad Hariri said he will spare no effort to protect stability in Lebanon.

Speaking during the annual iftar held by the Islamic Orphanage at the BIEL, Hariri stressed that dialogue should remain the only way to solve differences and conflicts.

"Some insist on dragging the country into tension ... There are people who volunteer for this task and there are pens which steer the public opinion on daily basis through giving information, news and attitudes that fall within the organized campaign against the cause" of his father, former PM Rafik Hariri," Hariri said. "But we, on our part, will not be dragged into this game and we will not spare any effort, or action, to protect stability and emphasize on making dialogue the only way to solve issues no matter how complex they are," he stressed.

Jumblatt: State Remains Final Shelter for Protecting Unity, Resistance

The head of the Democratic Gathering MP Walid Jumblatt noted Thursday that, regardless if the Borj Abi Haidar clash was an individual incident or not, "the state remains the final shelter for protecting national unity and the Resistance ... based on the equation of the people, army, and Resistance." He said in a statement that a commitment should be made towards this equation as a general principle, "which means carrying out a serious investigation in the recent unrest on the basis of affirming peace and stability and preventing security disorder." "Regional and international developments confirm that the conflict with Israel is still long, and is still in its early stages, which demands diligence in order to thwart Israel's attempts at creating internal strife in Lebanon," Jumblatt added.

Hariri: It's Unacceptable that the State Play Role of Spectator

Prime Minister Saad Hariri stated Friday that it is unacceptable that "the state play the role of spectator over the spread of weapons throughout Lebanon." He said during an iftar in Qoreitem that the ministerial committee set up to look into the spread of arms will convene and take decisions "and whoever does not want to implement its decisions should say so." "Dialogue is the only way to reach safety as Lebanon has never benefited from internal fighting, but it and the Lebanese have always been the greatest losers," he added. Earlier on Friday the prime minister performed the Friday prayer at the al-Amin Mosque with former Premier Fouad Saniora.

Hariri Vows to Spare No Effort to Protect Stability in Lebanon

Prime Minister Saad Hariri said he will spare no effort to protect stability in Lebanon. Speaking during the annual iftar held by the Islamic Orphanage at the BIEL, Hariri stressed that dialogue should remain the only way to solve differences and conflicts. "Some insist on dragging the country into tension ... There are people who volunteer for this task and there are pens which steer the public opinion on daily basis through giving information, news and attitudes that fall within the organized campaign against the cause" of his father, former PM Rafik Hariri," Hariri said. "But we, on our part, will not be dragged into this game and we will not spare any effort, or action, to protect stability and emphasize on making dialogue the only way to solve issues no matter how complex they are," he stressed.

Geo strategic front

Lebanese PM Travels to Syria Amid Rising Tensions

Bashar Assad met with Lebanese Prime Minister Saad Hariri in Damascus for a pre-dawn meal called "suhour," the last meal before the day time fast resumes for the holy month of Ramadan, the Syrian state-run news agency reported. Hariri has visited Damascus repeatedly this year in a sign of Syria's renewed influence over Lebanon in the years since Damascus withdrew its military in 2005, ending a nearly three-decade hold on Lebanon. Hariri's visits indicate that he needs Syrian support as his Western-backed coalition struggles at home. Syria backs the Lebanese militant group Hezbollah, which has a large role in Lebanon's fragile national unity government. Last week, street battles in Beirut between the Shiite militant Hezbollah and a small Sunni group killed three people, exacerbating sectarian tensions in Lebanon. Later Monday, Hariri was expected to head the first meeting of a new committee formed to discuss ways of ridding the Lebanese capital of weapons.

Hizbullah 'evidence' to delay STL indictments

Evidence provided by Hizbullah regarding the assassination of former Premier Rafik Hariri will delay an impending indictment by the UN-backed tribunal probing the murder, a well-informed judicial source told The Daily Star Sunday. The source said documents provided by Hizbullah leader Sayyed Hassan Nasrallah in a recent news conference would be thoroughly examined by Special Tribunal for Lebanon (STL) prosecutor Daniel Bellemare, who is probing the Hariri case. Such a process, according to the source, would at least delay the issuance of the indictment by around two months, after earlier reports said the indictment would be released in September. The indictment would also outline the results reached by the STL regarding Nasrallah's evidence, said the source, adding that the STL's indictment would be "professional, technical and rely on definite proofs, rather than being tied to political considerations." During his news conference, Nasrallah screened video clips of alleged Israeli drone surveillance footage intercepted by Hizbullah that showed routes Hariri used to travel, including the area where he was killed on February 14, 2005. Nasrallah also aired the confessions of an Israel agent who said he had been tasked by Israel to convince Hariri's security personnel that Hizbullah was intending to assassinate Hariri. Following a request by Bellemare for the disclosed evidence, Hizbullah refused to hand over the data directly, saying it had no faith in the tribunal. But Hizbullah's security official Wafiq Safa submitted last week the evidence to State Prosecutor Saeed Mirza, who in turn supplied Bellemare's office in Beirut with the requested data. In an earlier address, Nasrallah lashed out at the STL, dismissing it as an "Israeli project." Western reports said "rogue" Hizbullah members would be indicted in Hariri's murder. While rejecting such an indictment, Nasrallah said it reflected US and Israeli attempts to target the resistance. Nasrallah has repeatedly called for forming a Lebanese committee to probe false witnesses which he said had misled the STL's investigations. In its latest session, the Cabinet tasked Justice Minister Ibrahim Najjar with following up on the issue of false witnesses.

Head of Hizbullah's Loyalty to the Resistance parliamentary bloc Nabatieh MP Mohammad Raad said Saturday that revealing the truth regarding Hariri's murder was

impossible before probing false witnesses. “We consider those witnesses as posing a greater danger to Lebanon than [Israeli] agents that are being uncovered,” he said at an iftar in the village of Suhmor in western Bekaa. “Those [false witnesses] should be pursued and tried to uncover who [fielded] them and the agencies that sponsored them in order to reach truth,” added Raad. Meanwhile, Administrative Affairs Minister Mohammad Fneish, also a Hizbullah official, denied that his party had called for canceling the STL and abrogating its agreement. “The party has not taken such a decision yet, and if this had happened, an official announcement would have been made,” he said in remarks published by Kuwaiti newspaper Al-Rai Sunday. Fneish stressed the need to “punish false witnesses regardless of the side that will do so,” adding the Cabinet’s decision to task Najjar with following up on false witnesses stemmed from its keenness on revealing the truth and achieving justice. Separately, head of the Tawhid Movement Wi’am Wahhab called upon the government to halt its funding of the STL and to withdraw Lebanese judges participating in it. “We will not be easy with the STL and we warn against tolerating its decisions. The STL is rejected in all its components and its decisions,” he told Al-Jadeed television station Sunday. Nasrallah is expected to deliver an address at an iftar Tuesday, during which he is expected to touch on the subject of the STL.

Iran ready to offer military aid to Lebanon, minister says

Iran’s Defense Minister Ahmad Vahidi said Iran was ready to offer military aid to Lebanon on Wednesday, after a call for Tehran’s help from the leader of Hizbullah. “Lebanon is a friend and its army is our friend,” General Vahidi told reporters after a Cabinet meeting, state television reported on its website. “We are prepared to help them ... should there be a request.” On Tuesday, Hizbullah leader Sayyed Hassan Nasrallah proposed Lebanon seek military aid from Iran and Arab states. “I vow that Hizbullah will work fervently and capitalize on its friendship with Iran to ensure it helps arm the Lebanese military in any way it can,” Nasrallah said in a televised speech. The Hizbullah leader insisted that if Lebanon made an official request, “Iran will not hold back in supporting the Lebanese Army in any way it can.” Nasrallah, whose movement is an ally to Tehran and Damascus, made the call following a freeze by the United States of its military aid to Beirut in the wake of deadly border clashes between Lebanese and Israeli troops earlier this month. On August 10, US Congressman Howard Berman, chairman of the House Foreign Affairs Committee, announced he had put on hold \$100 million in aid to Lebanon’s military. Berman said he could not be sure the Lebanese Armed Forces were not working with Hizbullah, which Washington lists as a “terrorist” organization and whose members fought against Israel during the summer war of 2006. – AFP

Security

US military aid cut would strengthen Hizbullah

While some US congressmen are pushing to cut \$100 million in military assistance budgeted for Lebanon over fears of Israel’s security and Hizbullah’s leading role here, slashing the aid would only make Hizbullah stronger, drive the army toward US rivals and erode US credibility here, a number of analysts told The Daily Star on Wednesday. The issue erupted in Congress after an August 3 incident in Adaysseh near the Lebanese-Israeli border, where Israel’s cutting down of a tree sparked a firefight which killed two

Lebanese Armed Forces (LAF) soldiers, a Lebanese journalist, and an Israeli officer. Some US lawmakers voiced objections to the aid on the grounds that US weapons could wind up being used by the LAF against Israel, the closest US ally in the region. In the years before the Adaysseh clash, US officials had backed aid to the LAF as benefiting Israel, subscribing to a philosophy that building up the LAF would weaken Israeli foe Hizbullah, while a stronger LAF could help keep the Israel-Lebanon border calm, said retired General Elias Hanna, who teaches political science at various universities. After the summer 2006 war between Israel and Hizbullah, the UN Interim Force in Lebanon was beefed up to about 13,000 peacekeepers, while the LAF deployed in south Lebanon for the first time in decades. Although the US has poured some \$700 million into the LAF since the Syrian military departed Lebanon in 2005, the LAF's paltry arsenal still does not in the least represent a threat to the powerful Israeli military, Hanna added. Considering that reality, the displeasure expressed by the congressional representatives could have also contained a political message to Israel, as an attempt to reassure it of unflinching US support for Israeli security while the administration was cajoling Israel to return to direct peace talks with the Palestinians, Hanna added. At the same time, the legislators were venting their discontent over Hizbullah's increased sway over affairs in Lebanon and its presence in the government, said Paul Salem, head of the Carnegie Middle East Center. Some congressmen said they worried that arms given to the LAF could end up under Hizbullah control or in the group's possession. "For them, that's a very simple argument that you should punish Hizbullah by punishing the army," Salem said. "It's not a complex argument." Salem added that he anticipated that Congress would prevail in paring down US funding for the LAF, despite US President Barack Obama's administration continuing to call for the full \$100 million aid package as part of a regional strategy. The mix of US midterm elections, US fiscal distress, public opinion and staunch pro-Israeli feeling should add up to a loss in US assistance to the Lebanese military, he said. "The US administration is clear that it wants to maintain the aid; the problem is in Congress," Salem said. "This is going to have an impact and a negative impact. "I expect there will be cutting – the question is how much." Reducing aid to the LAF, however, would backfire against US interests, said former Ambassador Abdullah Bou Habib, a political consultant and executive director of the Issam Fares Institute, a non-partisan think tank. A weaker LAF would lead the population to feel a greater reliance on the weapons of Hizbullah; the historical justification for the existence of Hizbullah rests on the inability of the Lebanese military to protect south Lebanon from the frequent intrusions of Israel, Bou Habib added. Shrinking US assistance to the LAF "would make the arms of Hizbullah stronger," he said. Aside from concerns about Hizbullah and Israel, fortifying the LAF increases Lebanese sovereignty and allows the military to fight terrorists, he added. "It is in the interest of Lebanon and in the interests of the US that the US supply the Lebanese Army with the necessary weapons," Bou Habib said. "The majority of Lebanese would like – and I think Sayyed Hassan Nasrallah agreed with it yesterday – American weapons." Not only would cutting support undermine the LAF's status, but it could also force the military to turn to US foes Iran and Syria for assistance, Salem said. President Michel Sleiman and Defense Minister Elias Murr, in response to Congress' objections to aiding the LAF, said they would propose to the Cabinet to seek military supplies from other sources. Nasrallah, in his speech on Tuesday, said Lebanon should get military equipment from Arab states and

Iran, which is Hizbullah's main patron. Iranian Defense Minister Ahmad Vahidi said on Wednesday that the Islamic Republic could deliver military aid to Lebanon. With so much invested in Hizbullah, though, any aid from Tehran would amount to more of a political gesture, demonstrating how widely Tehran can project its power, Hanna said. "Iran is willing to help the Lebanese army to a certain degree – the Iranians don't want a competitor for Hizbullah," he added. The constant rhetoric around the issue should also serve to alert other leading regional actors such as Saudi Arabia, Qatar and Egypt that they could find a market for military goods in Lebanon, Salem said. But the LAF finds itself limited in where it can turn for aid, because so much of its arsenal is of US provenance – in other words, the military needs spare parts and ammunition for US equipment, which Iran could not easily supply, Salem said. "The bulk of the equipment is US equipment," Salem said, adding that the strapped LAF has difficulty even maintaining what it has. "The main needs of the army need to come from a source which has US-military style equipment." If the US does squeeze the planned funding for the LAF, it would also be harming its standing among the Lebanese, Salem said. "It has the effect of lowering US credibility in Lebanon," he added. US allies in the March 14 political coalition would then by association see their positions deteriorate, Bou Habib said. Cutting LAF aid "weakens the position of the friends of the US here ... the March 14 groups," he said. In the end, abandoning its support for the LAF would square with the US tradition in Lebanon of regular reversals of strategy and a failure to see its policies through, Hanna said. For example, the US undertook a major reorganization of the LAF in 1982 following the rise to power of Phalange Party leader Bashir Gemayel, Hanna added. "They changed the whole structure of the Lebanese Army; they made it a highly mobile army," he added. But, following a suicide truck bombing that killed 241 Marines in 1983, the US military left Lebanon.

The US kept up some support for the LAF, such as an officer-training program – Hanna attended four such programs during his career in the LAF, he said. But at the same time, the US only assented to sell the LAF second-rate equipment, such as the jeeps and other materiel the US no longer needed in the former West Germany after the end of the Cold War, Hanna said. "The Americans do it every time," he added. "We are like pawns in the grand strategy that could be shifted or changed."

'Lebanese Army receives 39 vehicles from UN

The United Nations Interim Force in Lebanon (UNIFIL) delivered 39 vehicles to the Lebanese Army at a ceremony at UNIFIL's headquarters in Naqoura on Wednesday. "The transfer, which follows the donation of 24 vehicles in April, is yet another reflection of UNIFIL's continued efforts to enhance the capacity of the Lebanese Army to improve security in the south. It also further enhances UNIFIL's close collaboration with the army in bringing sustainable peace to southern Lebanon," a UNIFIL statement said. UNIFIL Force Commander Major General Alberto Asarta Cuevas highlighted that conditions on the ground have significantly improved and cooperation between UNIFIL and the Lebanese Armed Forces had become a "central cornerstone" of their work. "Our activities could not be implemented without the cooperation of the Lebanese Army, which has demonstrated – time and again – its professionalism and commitment to UN Security Council Resolution 1701," Asarta said at the ceremony, which was attended by

Brigadier General Louis Hanna and Brigadier General Khalil Msan, commander of the Lebanese Army in the south Litani area. The UN task force commander added that “ultimately, UNIFIL’s exit strategy is linked to the ability of the Lebanese Army to sustainably ensure stability in southern Lebanon.” Hanna relayed Lebanese Army commander General Jean Kahwaji’s “deepest feelings of gratitude” to UNIFIL Command for the initiative, which he said was “a clear expression of the ties of cooperation and coordination” between UNIFIL and Lebanese Army. Hanna also praised the conduct of UNIFIL peacekeepers. – Mohammed Zaatari ‘Assad Calls for Calm, Hariri Says Visit of Syrian and Saudi Leaders Stress Keeness to Support Lebanese Unity rime Minister Saad Hariri said during talks with Syrian President Bashar Assad that the historic visit of the Syrian leader and the Saudi King to Lebanon last month stressed keenness of Damascus and Riyadh to support the country's national unity, Syria's state-run news agency, SANA reported. Assad discussed with Hariri in Damascus on Sunday night Syrian-Lebanese ties and prospects for "consolidating coordination between the two countries in all fields," SANA said. The two leaders expressed keenness to follow up on agreements reached between Lebanon and Syria on bilateral cooperation and stressed on willingness to continue coordination, according to the agency. The Syrian president also "called for calm and dialogue to solve pending problems" in Lebanon and stressed "the importance of consolidating national unity and supporting the resistance" against foreign threats. Assad then invited Hariri for a Suhoor banquet. The prime minister was accompanied by his office manager Ahmed Hariri. Army Prepares Security Plan, Four Suspects Arrested on Charges of Burning Burj Abi Haidar Mosque The army command has started implementing a security and military plan aimed at remapping its distribution in Beirut. Meanwhile, the daily An Nahar reported Saturday that army intelligence arrested four suspects on charges of burning a mosque at al-Basta al-Fawqa that is partially affiliated with al-Ahbash. The suspects are Mohammed Ahmed Nasrallah (Shiite) from Saida, Ali Mounir Shahine (Sunni) from al-Bashoura, and Fadi al-Sheikh Moussa Ameirat and Ali Khaled Ameirat (Kurdish), who both have record in car thefts. Investigations are ongoing with them to find out how they got involved in the Borj Abi Haidar clashes. Initial investigations revealed that they had deliberately burnt the mosque. Sources following up on the events said that all four suspects are Shiites, some who converted to the sect years ago, adding that they are all members of a prominent organization.

Aoun Says Lawsuit Has Been Filed against False Witnesses

The head of the Change and Reform parliamentary bloc MP Michel Aoun reiterated on Tuesday that the issue of false witnesses in the assassination of former Prime Minister Rafiq Hariri’s case should be quickly resolved. “We feel as if the judiciary or the government wants to cover up the issue of the false witnesses,” Aoun told reporters following his bloc’s weekly meeting. “What's wrong with starting an investigation that will determine their innocence?” he wondered. “We hope the matter of false witnesses may be resolved quickly,” Aoun said. “It's not the Justice Minister's job to handle it because a lawsuit has been filed against them,” he added. The General, meanwhile, criticized the government’s handling of the energy crisis in the country. “If they increase pressure on us, then we will start revealing scandals,” he warned.

US Advisor Says Israel Can Destroy Lebanon Army within 4 Hours: Al-Liwa’a

A senior advisor to US special envoy to the Middle East George Mitchell has threatened Lebanese army commander, Jean Qahwaji that should his army initiate additional fire exchanges with Israel, the Israeli occupation army would annihilate his military within four hours, Lebanese newspaper al-Liwa'a reported Friday. According to the report, Frederick Hof spoke to Qahwaji on August 9, following the deadly border skirmish between Israel and Lebanon and informed him of the Israeli army contingency plan. The report further quotes Mitchell's aide as telling the Lebanese commander that Israel had decided to carry out a plan "which would completely destroy the Lebanese army's bases, centers and offices within four hours." Three Lebanese were martyred during the Israeli aggression on the Palestinian-Lebanese borders, two Lebanese soldiers and one journalist. An Israeli Lieutenant-Colonel was killed and another officer was seriously injured. Firing began when occupation army forces entered a border enclave in order to uproot a tree. Lebanon later blamed Israel for violating UN Resolution 1701. Hof advised the Lebanese army chief to show restraint in any future border conflict with the Zionist entity. UNIFIL's report on investigations into the border clash, which was issued on Wednesday, reconfirmed previous conclusions reached by them. The report reiterated that trees cut by the Israeli Army were located south of the Blue Line on the Israeli side. It said UNIFIL sent the investigation report with findings, conclusions and recommendations to the UN Headquarters and the UN Department of Peacekeeping Operations on Tuesday and to other concerned parties on Wednesday. The report also said that both the Lebanese Army and the Israeli Army "fully cooperated with the UNIFIL team during the investigation."

Economic front

World Bank: High growth unsustainable without reform

The World Bank considered that the key near-term policy challenge for Lebanon is maintaining a prudent approach to economic management. It said that the country remains highly vulnerable to a change in confidence and to external shocks, and has limited fiscal space due to its high fiscal and current account deficits and public debt, as reported by Lebanon This Week, the economic publication of the Byblos Bank Group. It stressed that careful fiscal management to maintain the confidence of depositors and investors is critical for Lebanon's economic prospects, given the substantial exposure of commercial banks to the public debt. It added that a stable political and security environment, and continued prudent monetary policies, are critical to managing risks and protecting Lebanon from the effects of external shocks. The World Bank projected real GDP growth in Lebanon at 8 percent in 2010 and 7 percent in 2011, adding that its forecast takes into account the importance of the external economic environment, political stability, and the government's medium-term economic program. It said its base-case scenario for economic growth assumes a political environment that is conducive to decision-making, as well as the absence of major military conflict related to regional tensions. It also takes into consideration an expected gradual increase in oil prices and its impact on foreign inflows and growth; a projected gradual recovery in growth regionally and globally and its impact on demand for Lebanon's exports of goods and services; the government's plan to increase public investments in key service sectors over the medium-term and its program to stimulate private investment and growth, including through improved service delivery and enhanced public-private-partnership. It considered that

these assumptions, combined with the current favorable economic dynamics and constructive political environment, would result in an annual average growth rate of 6 percent over the 2011-13 period. The World Bank warned about the high costs of not implementing solid reforms. It said that the medium-term reform scenario suggests that, even with fiscal adjustment that would reduce fiscal deficits by 1.6 percent of GDP between 2009 and 2013 and a fairly positive growth response in the medium-term, the public debt will remain high at 124 percent of GDP at end-2013. It noted that in the event of a weak policy response and a deteriorating internal or external political environment, or unfavorable external shocks, Lebanon's growth potential would remain at around its historical annual average of 3.5 percent due to a lack of profitable business opportunities, weak external competitiveness and low levels of business confidence in economic prospects. It added that primary public spending relative to GDP would also remain at its historical average, and interest payments in terms of GDP would stay high. It expected that, in such a low growth scenario, the fiscal deficit would become unsustainably high at double-digit levels relative to GDP, and the debt-to-GDP ratio would increase back to the high level of a few years ago. In turn, this would inevitably expose the country to a risk of financial disruption, should investors holding the vast majority of Lebanon's debt lose confidence in the country's debt servicing capacity. The World Bank said that, under the medium-term reform scenario, transfers and subsidies would decline moderately starting in 2011, reflecting the government-approved plan for improving the electricity sector. It added that public investment will be higher to address, in particular, supply deficiencies in the electricity and water sectors, and to upgrade telecom services and roads. It expected tax revenues to remain robust with the impact of the rise in direct taxes gradually materializing in the longer run. It also forecast non-tax revenues, essentially transfers from the telecom sector, to remain constant in percent to GDP. Accordingly, it estimated 2010 budget expenditures to remain high at 33 percent of GDP. The World Bank forecast the fiscal balance, including grants, to post a deficit of 8.5 percent of GDP in 2010 and a deficit of 8.7 percent of GDP in 2011; while it projected the primary balance, including grants, at 1.7 percent of GDP in 2010 and 1.1 percent of GDP in 2011. It also estimated debt servicing at 10.2 percent of GDP in 2010 and 9.8 percent of GDP in 2010. As such, it forecast the level of the public debt to decline to 139 percent of GDP at end-2010 and 134 percent of GDP at end-211. The World Bank said that implementing structural reforms requires legislative approval and greater consensus building within the Lebanese public. It noted that the past policy track record does not provide much comfort in this case, as the prolonged period of weak and slow reform implementation and lack of fiscal adjustment are largely responsible for the high fiscal and current account imbalances and volatile growth performance, despite the fact that the issues and remedies have been well identified. It stressed that there is a significant risk that narrow sectarian interests will continue to overshadow national-level interests and obstruct again the implementation of the economic reform program. It added that this risk could be compounded if macroeconomic stresses develop, triggered by external shocks from volatility in oil prices, a surge in commodity prices, as well as insufficient growth in Lebanon's main trading partners. – The Daily Star

Lebanon sees 5.2 percent rise in car sales

Figures released by the Association of Automobile Importers in Lebanon indicate that a total of 19,639 new passenger cars were sold in the first seven months of 2010, constituting an increase of 5.2 percent from the 18,666 cars sold in the same period last year, according to Byblos Bank's Lebanon This Week. Japanese cars accounted for 38.2 percent of total sales, followed by Korean cars with a 30.6 percent share, European automobiles with 24 percent, American vehicles with 6.3 percent, and Chinese vehicles with 0.9 percent. Korean cars posted the biggest growth in sales with a 78.1 percent jump year-on-year, followed by Chinese cars with a 20.8 percent rise. In parallel, Japanese cars posted a 16.1 percent drop in sales year-on-year, followed by European cars with a 3.6 percent decline and American cars with a 5.2 percent decrease. Kia is the leading brand in the Lebanese market with 3,639 cars sold in the first seven months of 2010, followed by Hyundai with 2,346, Nissan with 3,247 cars sold, Toyota with 1,627, Mitsubishi with 869, Chevrolet with 828, and Renault with 750 cars. – The Daily Star

Gaza ship

Lebanese ship delays departure for Gaza

The organizers of a Lebanese ship hoping to break Israel's Gaza blockade say they have postponed the trip after Cyprus refused the vessel entry. The ship — the Mariam — cannot travel directly to Gaza because Lebanon is technically at war with Israel, forcing the boat to pass through a third country before heading to the Palestinian territory. Organizers said Sunday they are in contact with Greek authorities to allow the ship to dock there before proceeding to Gaza. They did not give a new departure date. The ship will carry aid and activists, organizers say. Israel has urged Lebanon to prevent the vessel from sailing to Gaza. The Lebanese expedition comes after Israeli commandos boarded a flotilla of Gaza-bound ships on May 31, killing nine activists.

Lebanon ship will not head for Gaza: Organizers

A ship carrying women activists and aid will no longer head to Gaza via Cyprus from Lebanon on Sunday, the organizers said, after Nicosia announced it would not allow the vessel to sail from its ports. “We will not embark tomorrow,” said Samar Al-Hajj. “We are working to find another place (port to sail from). There are obstacles, difficulties. We won't give up easily,” she said. Women activists had planned to take aid to Palestinians in Gaza aboard their vessel, the Mariam, which was due to set sail from Lebanon's northern port of Tripoli for Cyprus on Sunday. Israel has warned that it will not allow ships to reach Gaza, controlled by the Palestinian group Hamas since 2007. Nine pro-Palestinian Turks died on May 31 when Israeli commandos boarded a flotilla of aid vessels heading for Gaza. Cypriot police said on Friday the arrival and departure of ships to or from Gaza through Cyprus ports was prohibited, prompting the Lebanese transport minister to revoke permission for the ship to sail there, according to the organizers. Ghazi Aridi told New TV on Friday the ship would not sail as long as Cypriot authorities have refused to receive it. He added Lebanon would not give permission for sail to an unknown party. Spokeswoman for the Mariam, Rima Farah, said the trip was not canceled indefinitely but that “it was stalled because we face a reality which imposes that.” Lebanon does not authorize ships to sail directly to Gaza because it is in a formal state of war with Israel, which controls Gaza waters. Cyprus was used as a launch pad for activists to reach Gaza by sea from 2008 until mid-2009. Authorities introduced a ban

last year, citing the island's national interests. Under intense international pressure after its lethal seizure of the Turkish Mavi Marmara ship in May, Israel eased its blockade on Gaza. Israel says it has the right to use "all necessary means" to bar ships from reaching Gaza.

Social front

Social Affairs Ministry launches second phase of institutional-credibility drive

A final set of standards for better cooperation between civil-society groups and the government should be completed by the end of the year, said Social Affairs Minister Salim Sayegh on Monday. Sayegh made his comments at the initiation of the second phase of the "Developing Standardized Paradigms to Ensure Excellence and Institutional Credibility" program that seeks to maximize the efficiency of collaboration between NGOs and the ministry. The three-day workshop is to be attended by ministry officials and NGO envoys, and will focus on addressing issues relating to the disabled, the provision of social care and the work of civil committees and society groups. The first step of the program, which was launched in July but ended earlier this month, has already helped lay down an outline of better practical procedures that would go on to form the foundation of the final draft, Sayegh said. "When we launched the program to ensure excellence we determined one goal for it [which is] to lay down standards to ensure excellence in contractual relations between the ministry and associations and committees that deliver social services to beneficiaries," he said. "During the first workshop we were keen on ensuring suitable conditions to enable all parties to express their opinion and the Institute for Excellence for Learning and Entrepreneurship has provided us with the views, critiques, remarks and proposals," he said. "We are in the process of studying it to benefit from it with the given available capabilities." The reforms are part of the ministry's drive to raise institutional credibility by improving transparency and accountability in a rational, and realistic, way that is in line with Lebanon's economic and social situation. "[We are] seeking social justice and to make it reflect excellence and uniqueness without distinguishing on the basis of individuals, classes and religious beliefs and political affiliations," Sayegh said. It is hoped that reform will increase the level of trust between the parties and help bring ministry operating practices more in line with international standards. An internal auditing and transparency workshop, tasked with addressing some of the most pressing concerns, has consequently been scheduled for August 30, the ministry announced. During his time as social affairs minister, Sayegh has firmly advocated increasing the role of civil-society groups in the provision of social services to the Lebanese population and has openly stated that NGOs can oftentimes perform developmental activities more efficiently than state-run schemes. Sayegh will now go on to head a consultative committee, comprising of civil-society leaders and government officials, which will help to formulate the final contract between the two entities over the coming months. He is also urging all civil-society groups with ties to the ministry to form internal committees to improve the level of government cooperating. In a separate statement Monday, Sayegh announced that all overdue salaries for development workers employed by the ministry would now be available for collection. "All overdue salaries will be paid to the workers of the centers and to the projects

contracting with the Social Affairs Ministry,” Sayegh said. “A new mechanism has been set up with the Finance Ministry to avoid similar problems in the future.”

Hamas, Fatah clash in refugee camp after prayer dispute

Three people were wounded Monday after a dispute between clerics loyal to the Fatah and Hamas groups in the Al-Buss Palestinian refugee camp turned into armed clashes, the Central News Agency (CNA) reported. The clerics clashed over who would lead prayers at the camp’s mosque. Al-Buss lies within the southern port city of Tyre. The dispute started after Sunday’s iftar with an argument between Sheikh Hussein Qassem Maghreb, the Imam of the mosque, who is loyal to Fatah and members of the mosque’s committee, who are loyal to Hamas. As the clashes broke out, Lebanese Army troops set a perimeter outside the camp to prevent the fighting from spreading while the Popular Palestinian Committee called for a cease-fire by both parties before organizing a reconciliation meeting. Abu Mahmoud, a Fatah militant, and Fathi Chahine and Jamal Tahah from Hamas were wounded during the clashes. Fatah and Hamas sources both accused one another of being responsible for instigating the clashes. A Fatah source told the CNA that Hamas attempted to force Qassem to resign in an attempt to seize control over the mosque, paving the way toward controlling mosques inside all refugee camps in Lebanon. But a Hamas source denied the claims, saying that Qassem showed signs of weariness while praying and a sheikh from Hamas went to help, which Fatah officials rejected before matters escalated into a clash. The clash between Fatah and Hamas comes as the Palestinian Authority is expected to resume direct negotiations with Israel amid Hamas’ rejection. Well-informed sources told the CNA that the incident reflected tensions in ties between Hamas and Fatah over the resumption of direct peace talks with the Israeli government. – The Daily Star

Iraq

Political front

Iraq: State of Law Coalition Members Threaten to Split from Party

London, Asharq Al-Awsat- A source in the Iraqi National Alliance disclosed that "35 members of the State of Law Coalition [SLC] headed by outgoing Prime Minister Nuri Al-Maliki have contacted the IISC and expressed their determination to split off from the SLC and join any alliance that brings together the Al-Iraqiya Coalition, led by former Iraqi Prime Minister Dr Iyad Allawi, and the IISC, including the Al-Sadr movement led by Muqtada al-Sadr". The source pointed out that "there are deep differences within Al-Maliki's coalition because he insists on nominating himself to head the next government. The first sign exposing these differences is the resignation of Tariq Najm Abdullah, the director of Al-Maliki's office, who is described as the strongman in the prime minister's office, the Al-Dawa Party, and the SLC". The source that requested anonymity revealed to Asharq Al-Awsat in a telephone interview from Baghdad, "The statements were made by circles within the SLC, the IISC, and the Al-Sadr Trend after the iftar [breaking the Ramadan fast] dinner that Al-Maliki hosted in honor of the National Alliance last Monday and that was not attended by the Al-Sadr Trend. These statements are conflicting. Some were optimistic about the return of normalcy between the two coalitions within the National Alliance. Al-Maliki entertained hopes of remaining in his

position while the IISC is backing its candidate Dr Adel Abdel Mahdi for the post of prime minister. However, the Al-Sadr Trend rejects both candidates - Al-Maliki and Abdel Mahdi- and backs its candidate Ibrahim al-Jaafari, the leader of the National Reform Trend and former Iraqi prime minister. Moreover, Al-Jaafari is not backed by either the IISC or the SLC or even the Kurdish Alliance that exerted strong efforts to remove him from the premiership of the former government. Meanwhile, the Al-Iraqiya List rejects all these candidates and clings to its constitutional right to form the government insisting that it was the first winner in the elections." Several statements had been made by leaders in the SLC and the National coalition that said that the stands of the sides of the National Alliance regarding the nomination of the prime minister are still at point zero. Ali al-Adib, one of Al-Dawa Party leaders, affirmed "no political negotiations were held during the invitation for iftar for which Al-Maliki had called". However Vice President Abdel Mahdi explained that the position of the National Alliance has not changed about nominating Al-Maliki. This was also emphasized by the Al-Sadr Trend that strongly rejects Al-Maliki's candidacy". The member of the National Alliance said: "The resignation of Tariq Najm Abdullah, Al-Maliki's office director and keeper of his secrets and classified files and member of the Al-Dawa Party and of the SLC, is the result of differences within Al-Maliki's coalition". He pointed out that Abdullah - who is described as the strong in the prime minister's office to such a degree that some government officials and politicians deal with him as if his stands and rejection of some decisions are very important because they pave the way for Al-Maliki's rejection or approval - had proposed himself as an alternate to Al-Maliki and as the SLC's second candidate for the premiership. He personally mentioned this in several gatherings and some actually mentioned his name, especially in Tehran that he visits regularly. Such documented reports have reached the leader of the SLC who does not brook any competition even if the source of this competition is the keeper of his secrets and director of his office. Al-Maliki gave Abdullah the choice of either dismissal or resignation and he chose the latter". The source added: "Several leaders in Al-Maliki's coalition aspire to be the second candidate or the alternative to the leader of the SLC in heading the next government. These include Haydar al-Abbadi, a leading member of the Al-Dawa Party, and outgoing Oil Minister Hussein al-Shahrastani". The source went on to say that "such aspirations are kept secret or debated in private gatherings". In a related development, Shakir Kitab, official spokesman of the Tajdid Movement headed by Tariq al-Hashimi, vice president and a leading member of the Al-Iraqiya Coalition: "The Al-Iraqiya Coalition is tightly cohesive despite the attempts to divide it and despite the enticements being made to this or that side". Kitab responded to press statements by Al-Iraqiya member Hasan Al-Alawi who had said: "There are conflicts of interests among the components of the list that may reach the stage of bloodshed. Al-Iraqiya needs three months to overcome the stage of naming its candidates to occupy ministerial portfolios while other lists do not have this problem". Kitab responded: "Al-Iraqiya is strongly cohesive. Its leaders do not think of their personal interests or about positions. They are concerned for the interest of Iraq and the Iraqis. Their main concern is not to betray their voters and not to concede the constitutional and electoral obligation to form the next government since their list came first in the legislative elections".

Iraq's Rival Parties Resume Government Coalition Talks

21/08/2010 Iraq's Prime Minister Nuri al-Maliki and former premier Iyad Allawi have resumed negotiations aimed at forming a government after falling out briefly over a sectarian row, senior politicians said on Friday. Iraq has drifted in a dangerous political vacuum since a March election produced no outright winner. Osama al-Nujaifi, a senior member of Allawi's Iraqiya, said Allawi had agreed to resume talks with Maliki's State of Law bloc after breaking off talks because Maliki described Allawi's group as "Sunni", rather than cross-sectarian. "Allawi received a letter the day before yesterday from Maliki regarding the last stand made by Iraqiya. I am not aware of the details of the letter but Allawi considers that the letter is sufficient to reconcile and overcome the situation," Nujaifi told Reuters. Ali al-Dabbagh, a senior State of Law member, said he visited Allawi on Thursday to restart negotiations and handed him two proposals -- one on forming a coalition government and the second on political and administrative reform. "We are seeking to bring together Allawi and Maliki in a private meeting to bring things back to its normal course and to have serious negotiations started between the two lists," Dabbagh told Reuters. "We are making a new approach. It talks about creating an equation for partnership." Allawi and Maliki have been locked in a tussle over who has the right to form the next government. Talks on working together began after Maliki failed to overcome resistance among many of his Shiite allies to his ambitions for a second term. The political uncertainty has been accompanied by persistent attacks. Abdul-Mahdi al-Kerbalai, a representative of Iraq's most revered cleric, Grand Ayatollah Ali al-Sistani, urged all parties on Friday to put aside their differences and to not delay further in forming a government. "We warn of serious and grave consequences and a reaction from the Iraqi people if the delay in forming a government continues. We warn them and say that the people are losing their patience," Kerbalai said in Friday prayers in the holy city of Karbala.

Status of US forces

Iraqi Forces On High Alert As U.S. Withdraws

Iraq is going through a critical stage that requires the utmost vigilance in view of the withdrawal of U.S. combat forces, a senior Iraqi security official has told RFE/RL's Radio Free Iraq. Major General Qasim al-Musawi, spokesman for the Baghdad Operations Command, said that Iraqi security forces were being trained to take over. "Orders have been issued to the security forces to be on the highest state of vigilance and alert, especially at this critical stage as the US combat forces pull out of Iraq and Iraqi security forces prepare to assume full combat responsibility," Musawi said. He spoke after Washington said this week the U.S. military in Iraq has cut its strength to under 50,000, ahead of a scheduled August 31 end to combat operations. Musawi said an overall review of security plans was made and certain security measures reconsidered at a meeting of top security officials chaired by Prime Minister Nuri al-Maliki following bombing attacks in Baghdad and elsewhere on August 25. Bombers and gunmen killed over 50 Iraqis in over 20 separate attacks across the country. Musawi said that terrorist groups "have been mobilizing to carry out such attacks at what everybody agrees is a sensitive stage in order to discredit the security forces on the one hand and undermine the political situation on the other." He acknowledged that "terror cells are still active in parts of the country despite the severe blows delivered to the Al-Qaeda leadership."

Musawi said that "we expect terrorist activities to be stepped up in the coming period, but we have faith in the capability of the security forces and intelligence agencies to frustrate the enemy." "This requires reconsideration of previous plans," he added.

Iraq Sunni Militia Leader Fears Exit Of U.S. Troops

A leader of a government-backed Sunni militia in Iraq has expressed fears they will be targeted by Al-Qaeda now that the U.S. military is completing its withdrawal of combat forces from the country, RFE/RL's Radio Free Iraq reports. The Sons of Iraq, also known as Sahwa or Awakening Councils, are militias that began cooperating with U.S. troops in the fight against Al-Qaeda in 2006. Sheikh Amir al-Fawaz, who is an Awakening Council leader in the north of Baghdad, told RFE/RL on August 25 the U.S. withdrawal and negligence on the part of the government was fuelling such fears. "Our sons made a lot of sacrifices, but here we see the American forces are leaving and the Iraqi government is not paying much attention to us. They made a lot of promises, but still nothing is tangible. Of course there are fears," Fawaz said. The U.S. military in Iraq has cut its strength to under 50,000, ahead of a scheduled August 31 end to combat operations. But Muhammad Hasun al-Anbari, an Awakening leader in Abu Ghraib, west of Baghdad, said the Sons of Iraq cooperated and coordinated well with the security forces and were no longer afraid. "We did have big fears before. But now that the security forces are acting, cooperating, and coordinating with us, we feel OK. People are also helping us in every way possible. We do not have any kind of fear," he said. The Iraqi government considers apprehension misplaced. Zuhair al-Chalabi, the government official responsible for Awakening Councils affairs, says the Sons of Iraq have nothing to be afraid of after the U.S. withdrawal. He adds that a new plan is to be put in place to protect them and also to use their potential. "The Sons of Iraq are now part of the security network in Iraq," Chalabi says. "I do not think there is any kind of danger to them. And if there is one, it will also be a danger for all the security forces. Their task now is to stay in their areas and be active and protect those regions." Chalabi says a new plan is to be submitted next week to protect the Awakening Councils and to make use of their potential. He says there's also a plan to create joint patrols of security forces and Sons of Iraq to provide security in different regions. Six Sahwa militia fighters were killed by insurgents early today near Diyala, northeast of Baghdad, the latest in a series of attacks.

Iraq Confirms Tentative Agreement With Iran On Pipeline

Iraq's oil minister has confirmed that Iraq and Iran have agreed "in principle" to build a pipeline to transport gas from Iran through Iraq to Syria's Mediterranean coast, RFE/RL's Radio Free Iraq reports. Husayn al-Shahristani said on August 25 that the agreement would provide Iraq with good revenue for allowing Iranian gas to transit its territory. Iraq's Oil Ministry discussed the project two weeks ago with a Tehran delegation headed by Iranian Deputy Oil Minister Jawad Ogi. The two sides decided to hold further discussions on the technical details of the project through joint committees. Shahristani said he told the Iranians they should allow Iraq to use some of the gas for its power plants to help reduce electricity shortages. The two sides also agreed that Iraq could use the pipeline in the future to export its own gas once Iraqi gas fields are developed.

U.S. Troops In Iraq Below 50,000

The U.S. military says the number of U.S. soldiers in Iraq has fallen below 50,000. The military made the announcement in a press release on August 24 but did not give an exact figure of how many troops are currently in the country. Shortly after coming into office in 2009, President Barack Obama pledged that the United States would end combat operations in Iraq by the end of August, at which point troop figures would drop below 50,000. The last U.S. combat brigade left Iraq last week. The remaining U.S. troops in Iraq will concentrate on training Iraqi forces and help with antiterrorism operations, if asked by the Iraqis. All U.S. soldiers must leave Iraq by the end of 2011.

General Says U.S. Ready To Resume Iraq Combat Role If Needed

The top U.S. military commander in Iraq says local security forces will be ready for the withdrawal of American troops next year, but the United States could return to combat operations if needed. In an interview aired on CNN today, General Ray Odierno said U.S. troops could move back to a combat role if there was "a complete failure of the security forces" or if political divisions split the Iraqi security forces. His comments came days after the last U.S. combat brigade left Iraq, more than seven years after the U.S.-led invasion. About 50,000 U.S. troops are to remain in the country until the end of 2011 to serve as a training and assistance force. Odierno said U.S. involvement in Iraq beyond the end of 2011 probably would involve assisting the Iraqis secure their airspace and borders. On Iran, the U.S. general said Tehran was funding extremist groups in Iraq out of fear of a strong democracy as a neighbor.

Geo strategic front

Economic front

EU to help Iraq clean up nuclear facilities

The European Union signed a 2.5 million euro (\$3.2 million) agreement with Iraq on Sunday to help Iraqi scientists' dismantle, decommission and decontaminate nuclear facilities built under dictator Saddam Hussein. Iraq has tried to clean up its 10 old nuclear sites around the country as US combat operations end seven years after the invasion to topple Saddam. But the going has been slow since the work began two years ago. The EU program to train Iraqi scientists and provide equipment will speed up the clearing operation which had been estimated to take up to 10 years. So far scientists have only cleared one site in central Baghdad. "This contract will help boost the abilities (of the scientists) so they will be able to dismantle more complicated facilities," Science and Technology Minister Raed Fahmy told reporters after signing an agreement with the EU in Baghdad. The EU will spend 1.5 million euros on training and 1 million euros to provide equipment such as radiation detectors and protective clothing. The EU said it would publish a tender before the end of the month for firms interested in providing the equipment. Italy's Insubria Centre on International Security (ICIS), Britain's National Nuclear Laboratory (NNL) and Belgium's BelgoProcess are assisting the program. Both NNL and BelgoProcess specialize in dismantling, decommissioning and decontamination activities, radioactive waste management and disposal.

Up to 80 Iraqi nuclear scientists will be involved in program.

"The idea is to exchange scientists and to gain mutual experience and to build capacity," said Achim Ladwig, the charge d'affaires of the EU delegation to Iraq.

Energy crisis Power shortages in Iraq tell story of a ruined country, a failed superpower One best signal of how ruinous the U.S. occupation of Iraq has been is the story of electricity. The same signal can be used to assess the ruinous policies and practices of the political factions the U.S. has helped to rule the country. Practically, there is little or no electricity in Iraq while prior to 2003 major cities used to enjoy minimum 12 hours of non-interrupted supplies from the national grid. Conditions were supposed to have improved. The former regime was under punitive U.N. trade sanctions; nonetheless, its electricity commission was on its way to reduce outages to the minimum. In the post-U.S. invasion era, the sanctions were removed and billions of dollars were earmarked to rehabilitate the national grid. But the country has plunged into almost total darkness. Violent demonstrations, most of them spontaneous, have been mounted in several cities, particularly in southern Iraq. Several Iraqis have been killed and wounded in these demonstrations. The electricity minister has been sacked and replaced, but power shortages are still worsening. If you have never seen the inferno that results from temperatures brushing 50 degrees centigrade, you will never appreciate how critical electricity is for a country like Iraq. U.S. combat troops have withdrawn, leaving behind a country in darkness, after spending countless of billions of dollars on combat missions that ruined cities, villages, roads and orchards and shed rivers of innocent blood. They left behind their lackeys who are now squabbling, fighting and battling over government posts and privileges. The fate of their ruined country and the fate of their oppressed people is none of their business.

Iraq Kurds say oil exports will bring them \$25 billion a year

The Kurdish enclave in northern Iraq should earn up to \$25 billion from oil and gas exports in four years, according to the natural resources minister in the Kurdish regional government. The minister, Ashti Horami, said his ministry's petroleum development plan, if implemented, will see exports originating in the enclave rising to 1 million barrels a day. There are no official statistics on the volume of proven and extractable oil reserves in the region, but the Kurds have already lured several foreign firms to develop oil fields in the areas under their control. Horami claimed the region to be "holding 45 billion barrels of reserves and 200 trillion cubic meters of natural gas." Iraq's Oil Ministry, which is critical of Kurdish oil pursuits, puts the region's reserves between 5-10 billion barrels. If Horami's claims of reserves are correct, it will put the region among the world's largest in oil reserves. Total Iraqi reserves are estimated at 114 billion barrels, with up to 70% of them held in oil fields in southern Iraq. Horami said: "The Ministry of Natural Resources seeks to boost oil output in the coming four or five years to 1 million barrels a day and also produce 100,000 cubic meters of natural gas." "Our aim is to earn \$25 billion a year from oil and gas exports," Horami said. He said his ministry bases this rosy picture "on strategies and plans it has in place to reach these (ambitious) output levels."

Power Hungry: Iraqis Ask 'Where Is The Electricity?'

An electrician checks the wires leading to a block of flats in Baghdad's Karrada district

As U.S. combat troops leave Iraq this month, one of the problems left behind is a shortage of electricity for ordinary Iraqis. The problem used to be blamed on the insurgency, but now -- with the insurgency largely quelled -- it is a measure of the future economic and political challenges the country faces instead. The country is generating almost double the amount of electricity it did immediately before the 2003 invasion, but the amount is still woefully inadequate to meet ordinary Iraqis' needs. "It comes for one hour although it is not for a whole hour. It goes on and off all the time. Technically we have the electricity for about 20 minutes only," says one Baghdad resident who wished to remain anonymous. "We get our electricity from the generators in the house and the generators on the street and that is all. There is no electricity, it is hardly ever there."

40-Degree Heat The complaints are particularly loud now as the Muslim population observes the fasting period of Ramadan. With temperatures running in the mid-40s (Celsius), and people forgoing water and food during the day, the lack of power for air conditioners and fans is especially heartfelt. Public confidence that anyone -- including the Americans or the Iraqi government -- can solve the situation is hard to find. As this woman, who also refused to give her name, told RFE/RL's Radio Free Iraq recently, "Let's see what the new minister will do and if he can do something for us. From the beginning, he has lied to us." The new minister is Hussein al-Shahristani, who is also the oil minister and took over as acting head of the Electricity Ministry last month. The previous electricity minister resigned after a demonstration against power shortages in Basra turned violent and police opened fire, killing at least one protester. To deliver the power supplies Iraqis want, the new electricity minister will have to reverse what since 2003 has been a history of massive investment with little result. On average, Baghdad -- with a population of around 5.5 million people -- had just five hours of electricity a day last month, despite the fact the United States has spent \$5 billion on projects to bring more electricity to the country. "The New York Times" reported last month that the money spent on electricity projects amounts to nearly 10 percent of the \$53 billion Washington has spent on rebuilding Iraq, which was crippled by economic sanctions before the 2003 invasion. The amount is second only to what has been spent on rebuilding Iraq's security forces. The dismal record underlines the size of the difficulties still facing Iraq despite the milestone of U.S. combat forces leaving the country. Less than 50,000 U.S. soldiers will remain in Iraq until the end of 2011, officially in a training and "advisory" capacity. The slow progress in improving the country's infrastructure used to be largely blamed on the insurgency. But the insurgency, despite launching suicide bombings and other attacks across Iraq on August 25 that killed at least 60 people, is now considered largely quelled. And that puts the spotlight for the electricity problems squarely on the government's ability to deliver a better future. Ali al-Saffar, an Iraq expert at the London-based Economist Intelligence Unit, says most of the areas where electricity is generated are safe. "If we look at the current government strategy, it is to make sure that power plants are built in the oil region down south. These provinces have by and large been quite safe, so it's no longer enough to blame the insurgency, blame terrorism, for the lack of progress there," al-Saffar says. "More to the point, I think, government bureaucracy, corruption, and unwillingness to get things done can be blamed." One problem of poor planning and coordination is the fact that new generators installed since the United States toppled Saddam in 2003 are designed to operate on natural gas. But natural gas supplies for the generators are in short supply as much of what Iraq produces

today is exported for hard currency or simply flared off in oil fields. Policemen face residents protesting electricity shortages and inadequate services in Nassiriya on August 22 "The New York Times" recently reported that to compensate for the shortage some of the gas-fired generators are run on fuel oil instead. The fuel oil is readily available but makes the generators run at reduced capacity. In a visible measure of the problems, the Iraqi government this summer had to pay for two electricity-generating ships from Turkey to dock near Basra to supplement that city's power supply. The stopgap solution cost the government hundreds of thousands of dollars.

Rising Demand Meanwhile, the demand for electricity only keeps increasing as Iraq's economy finally grows after the security nightmares of the previous years. "Current demand is somewhere around 14,000 megawatts a day. Now, that's a huge increase over a few years ago. One of the aspects -- and I think it would be a quite large aspect because you see electricity demand peak in the summer -- is the ability of normal Iraqis to purchase white goods, things like refrigerators, washing machines, but also air conditioners," al-Saffar says. Al-Saffar estimates that the electricity supply in Iraq is currently meeting just 46 percent of demand. He says that creates a hunger for electricity that makes people turn on all their appliances at once when the power comes on simply because they know it will not last. The strain of such overuse frequently brings down the power grid. So does widespread pilfering of electricity by people illegally siphoning off current from power lines. As the electricity comes and goes, the shortages force many Iraqis to supplement their supply by using portable gasoline-powered generators. But the portable generators are too expensive to power anything more than a light and a television. The government has pleaded for public patience as it plans to solve the problem by purchasing more turbine generators for power stations. In 2008, it announced a deal to buy 56 gas turbine generators from General Electric and 16 from Siemens at a total cost of some \$ 5 billion.

Acting Electricity Minister Hussein al-Shahristani

Acting Electricity Minister Al-Shahristani told a press conference in Baghdad in July that the new generators will allow Iraq to add 5,000 megawatts by 2012. "Currently, Iraq needs about 5,000 megawatts, and then we need to provide more than 1,000 megawatts a year and continue like that for a minimum of 10 years. An immediate investment is needed to build electricity plants in eight different places to supply a large amount of electricity," al-Shahristani said. But many observers say that the goal of adding 5,000 megawatts over the next two years may be too ambitious to be completed on schedule. Hamish McNinch, a former British Army engineer who served as principle energy adviser to coalition commanders in Iraq in 2008 and 2009, commented last month in "The Wall Street Journal" that buying new generators is the easiest part of the energy equation. "The construction and commissioning of the full power plants is the real challenge," he wrote. "That's a job for consulting engineers and construction companies, none of whom have yet been selected, let alone contracted, to start the work." McNinch warned that time is not on the government's side as the public's demand for electricity grows more pressing. He noted that "adequate power for civilians will be key to maintaining stability once U.S. troops leave because it not only would increase the well-being of ordinary Iraqis and further reduce support for insurgents but also stimulate the economy." Al-Saffar says one fix might be for the Iraqi government to give up some of the

"nationalization" mindset it appears to have inherited from the Saddam era. That mindset regards oil and gas -- and the electricity they generate -- as national resources to be closely held by officials. He observes that in Iraqi Kurdistan, the semiautonomous government broke with tradition by using private contractors to bring two large power stations on line in 20 months and integrate them with natural-gas supplies. The move effectively ended power shortages in the region. It could be time now for Baghdad to take a similar decentralized approach and cut through some of the bureaucratic entanglements that limit power supplies in the rest of Iraq. Doing so might not only help with the electricity problems. It might also put Iraq more firmly on the free-market course it needs to become economically and politically strong enough to survive as a democracy, even after all the American troops return home.

Foreign firms race to develop Iraqi oil fields

The relative stability in southern Iraq, where the country's most prolific and gigantic oil fields are situated, has persuaded foreign firms to start operating in earnest. A good example is U.S.'s Halliburton which has recently won a contract for the drilling of 15 more wells in the giant Majnoon field. The director-general of the State Company for Drilling Adris al-Yasseri said Iraq was keen to boost its oil output by developing new fields and rehabilitating the producing ones. "We are striking contracts with various foreign firms for the digging of new wells. It does not matter for us which company we deal with and from which country," Yasseri said. Majnoon is believed to be the country's largest oil field with proven reserves exceeding 12 billion barrels. A consortium of foreign firms has won a contract to develop the field. Yasseri said the firms have already started working. However, the field is too big for one consortium to handle and Iraqi national oil firms still have a stake. Iraqis currently produce 45,000 barrels of oil a day from the field and the 45 new wells to be dug by Halliburton are bound to boost Iraqi output. But once the field is developed and the foreign firms complete their operations, Majnoon is bound to produce 1.8 million barrels a day on its own. The development of Majnoon is part of a national drive to hike output to 12 million barrels a day in a few years. Meantime, the authorities in the southern Province of Basra have turned down a request by the British Petroleum to allocate special roads for the transfer of the company's equipment to Majnoon. The authorities said such a measure will be contrary to law and would require extra security measures.

Palestine

Moussa Pessimistic on Israeli-Palestinian Talks

Arab League chief Amr Moussa said Sunday he had little hope that direct talks between Israel and the Palestinian Authority, which are due to start on Thursday, will be successful. He also said he will not seek re-election as secretary general of the Arab League after his second mandate expires in March. "We are hoping that talks will succeed but we are all very pessimistic about the viability of the peace process because of the past experience," Moussa told Reuters in an interview on the sidelines of a political conference in Slovenia. He said U.S. President Barack Obama's sponsorship of talks was the only reason to hope for success. He said Obama had given the Palestinians assurances that Israel would stop settling new territory during talks that are due to last for one year.

"If we find that during that year Israel continues to build settlements, there is no use in waiting for the full year (of talks)," Moussa said. Israeli Prime Minister Benjamin Netanyahu stressed that the decision to renew settlement construction after freeze remains unchanged, leaving question marks on the feasibility of the talks.

Asked whether he would run for another mandate as the Arab League chief, Moussa said: "It is not my intention to do so."

Abbas, Netanyahu Talks on Course of Collapse, before They Begin

Palestinian President Mahmoud Abbas said on Sunday just before leaving for Washington for the launch of the direct talks that Israel alone will bear responsibility should talks collapse due to continued settlement building. Abbas said during a speech in Ramallah that negotiations will be based on the Mideast Quartet statement emphasizing the need to put an end to the "occupation" in the West Bank and occupied Jerusalem. He emphasized that the statement called for an end to the settlements, an end to the occupation, and an end to unilateral moves. "I clearly state today that we notified the Americans and international officials that Israel will bear sole and full responsibility for the collapse of negotiations should settlement building continues," Abbas said. Israeli Prime Minister Benjamin Netanyahu, meanwhile, stressed that the decision to renew settlement construction after freeze remains unchanged, leaving question marks on the feasibility of the talks. According to Haaretz, he told Likud ministers on Sunday that he had not made any promises to U.S. President Barack Obama or any other American government official regarding an extension of the settlement construction freeze in the West Bank. "We said that the future of the communities will be discussed as one of the elements of a final-status settlement, along with the other issues. We promised nothing on this issue to the Americans." Senior Palestinian officials admitted that it would not be possible to force Israel to completely abandon construction in the West Bank in light of Netanyahu's coalition restraints. However, Yedioth Aharonot cited "an influential Palestinian source" hinting that if Netanyahu would be willing to open direct talks with an agreement on the 1967 borders for a Palestinian state, the question of construction would be less crucial in reaching an agreement.

According to the source, the PA is worried that if the talks fail, the main beneficiary will be Hamas. However, aides close to Netanyahu insisted on Sunday that "there is no way Netanyahu will agree to the 1967 borders. At a time when the Americans are withdrawing from Iraq, and the eastern front is returning, there is no chance for Palestinian control in the Jordan Valley," the aids told Yedioth Aharonoth. The Palestinian leadership is at odds over how to respond in case Israel does resume construction in the West Bank after the moratorium expires on September 26. Some officials have stressed that the Palestinians should not be the ones to quit the negotiations, while others contend that in case settlement building resumes, the Palestinians should walk out on the negotiations. According to the latter group, the makeup of Netanyahu's government allows for almost no leeway. The Palestinians realized that rejecting Obama's call to launch direct talks would prompt donor nations to stop funneling money to the Authority. As of now, it remains unclear what Israel's official stance will be on the continuation of the moratorium imposed on West Bank settlement construction. Netanyahu said that cabinet's decision to renew building upon the expiration of the freeze still stands. On the other hand, some estimate that Netanyahu will ask to wait on making

a decision "until the last minute," and will act in accordance with the reality stemming from the direct talks. In other words, should the US apply heavy pressure, Netanyahu will take action to find a creative solution that will prevent the implosion of talks.

Hamas: Talks Excuse for PA to Allow Israel to Wipe Out Palestinian Cause

Gaza's leaders say they will 'step on heads of those who dare cede right of return, Hamas warned the Palestinian Authority Saturday, ahead of scheduled direct talks with Israel, that "the Izz-a-Din al-Qassam Brigades will not go soft with those who dare cede the right of return, Al-Quds, and Palestine". Hamas official Khalil al-Hayya called for an uprising against the negotiations, scheduled to begin in Washington September 3, and against the delegation to attend them from Ramallah. He said the talks were an excuse for the Palestinian government to allow Israel "to wipe out the Palestinian cause, continue Judaizing AL-Quds, continue building settlements, and erase the Palestinian right of return". "Abbas and his negotiating team do not represent Palestine, Al-Quds, the refugees, or al-Aqsa, and we will not recognize any agreement signed by the Zionist enemy," al-Hayya said.

Palestinians Counter Israeli Editing Group in Wikipedia Battle

After a rightist group opened the first-ever Zionist editing group aimed at defending Israel on Wikipedia, a Palestinian organization plans to create its own Wikipedia editing program. Palestinian Journalists Syndicate head Abdul Nasser An-Najjar told the Bethlehem-based Ma'an news agency that his organization plans to set up editing groups to counter attempts to present Israel's view on Wikipedia. He urged the Palestinian Authority to take part in the initiative. An-Najjar warned that the next regional war would be a "media war," adding that online information on the Israeli-Arab conflict shapes world opinion. Last week the Yesha Council and the Yisrael Sheli (My Israel) organization opened a course to address the problem of what it referred to as pro-Arab bias on Wikipedia. In a one-day seminar, lecturers taught dozens of participants how to ensure that Israel's view is presented on the online encyclopedia.

Ayelet Shaked of Yisrael Sheli told the Guardian that the problem is that online, pro-Israeli activists are vastly outnumbered by pro-Palestinian voices. "We don't want to give this arena to the other side," she said. "But we are so few and they are so many. People in the US and Europe never hear about Israel's side, with all the correct arguments and explanations." Shaked said the Israeli government is "not doing a very good job" of explaining Israel to the world.

Netanyahu Demands Talks Focus on Security Issues before Borders

Israeli Prime Minister Benjamin Netanyahu intends to lead the direct negotiations with the Palestinians due to be inaugurated in Washington on September 2. Netanyahu says he plans to focus on security arrangements before addressing final borders. Speaking behind closed doors, Netanyahu said the success of the talks will hinge on understandings between the leaders. "I will want to reach agreed principles with the Palestinian leadership and there will be no need for many teams [of negotiators] and hundreds of

meetings If I get the security that will ensure that no missiles will fall on Tel Aviv, it will be possible to move quickly toward a comprehensive arrangement," he was quoted as saying. Netanyahu said during his meetings he wants to discuss security issues with the Palestinians first; only then would the two sides focus on borders of a future Palestinian state. Meanwhile, the Palestinian Authority said the direct negotiations will collapse if Israel resumes construction in the occupied West Bank's settlements. Palestinian sources told Ynet Saturday evening that if the direct talks are accompanied by an Israeli announcement on the resumption of settlement construction after the moratorium expires on September 26th, the image of the Authority and the (Palestinian Liberation Organization) PLO will suffer a devastating blow and the peace process will be significantly hindered. According to the sources, American officials have claimed that even if Israel announces the resumption of construction, no new construction projects are expected in occupied Jerusalem and West Bank communities located outside the settlement blocs. However, the sources said, Washington did not offer the PA any guarantees in this regard. U.S. Secretary of State Hillary Clinton had announced Friday that Israel and the Palestinian Authority would resume direct negotiations for the establishment of a Palestinian state. The talks will be inaugurated at a two-day summit in Washington, which will follow an 18-month lull in the negotiations. In addition to Netanyahu and PA President Mahmoud Abbas, U.S. President Barack Obama has invited to the summit Egyptian President Hosni Mubarak, Jordan's King Abdullah II, and the head of the Quartet, former British Prime Minister Tony Blair. Sources close to Netanyahu said on Saturday that most of the negotiations will take place in the Zionist entity or the region and not in the United States. Both Clinton and U.S. special envoy George Mitchell said over the weekend that the negotiations will aim to reach a permanent settlement and the establishment of a Palestinian state in a year. They said the negotiations will focus on all core issues: occupied Jerusalem, borders, refugees, security, settlements and water. Clinton noted that there will be no preconditions - this is considered a major achievement for Netanyahu, who insisted that the direct talks take place unconditionally. In her announcement over the weekend, Clinton also did not mention the September 26 expiry of the freeze on settlement construction.

The Quartet's announcement also made no mention of the construction freeze or building in occupied East Jerusalem. It just referred to its previous statement on the subject, which calls for a construction freeze. The chief Palestinian negotiator, Saeb Erekat, said the Israelis "have a choice now whether to choose settlements or peace. I hope they choose peace. I hope that Mr. Netanyahu will be our partner in peace ... and we can do it." One of the leading analysts in the Palestinian media described how Abbas was forced to climb down from uncompromising stance with a term normally reserved to describe the defeat of the Arab armies during the Six-Day War. Abbas succumbed to Arab-American dictate, the analyst said, despite never having missed a chance to reiterate during the year that "there will be no direct negotiations without complete freeze of settlements."

The Islamic resistance group Hamas, which controls the Gaza Strip, dismissed the direct talks as a U.S. attempt to "fool the Palestinian people." But U.S. officials said Hamas would have no role in them.

Hamas says peace talks will deal blow to Palestinians

Hamas leader Khaled Meshaal said on Tuesday that peace talks between Palestinians and Israel next week could deal a fatal blow to the Palestinian cause. Meshaal said in a speech in Damascus that Palestinian President Mahmoud Abbas was too weak to stand up to Israel and negotiate a just deal at the talks in Washington on Sept. 2. "If the talks succeed they will succeed to Israeli standards and liquidate the Palestinian cause. They'll give us parts of 1967 lands. They'll draw the borders as they want and they'll confiscate our sovereignty," said Meshaal, who lives in exile in Syria, along with several Palestinian leaders. Abbas's negotiation strategy has long been condemned by the Hamas Islamist group which seized control of the Gaza Strip from him in 2007 and is deeply hostile to Israel. Hamas does not rule out peace talks with Israel if they realize what it considers Palestinian rights. Hamas has said it could live peacefully alongside Israel if Israel withdrew from all Palestinian land it occupied in the 1967 Middle East War. Hamas's 1988 founding charter, however, calls for the destruction of Israel and for restoration of all of British mandate Palestine. "Our grievance, in a nutshell, is occupation. Our project is resistance," said Meshaal. Meshaal asked Abbas and his Fatah faction to join Hamas in adopting a Palestinian strategy that does not drop diplomacy but concentrates on the "option on resistance and holding on to inalienable Palestinian rights." He said Palestinian negotiators were not legitimate. The talks are the latest chapter in a peace process which, interrupted by several years of violence earlier this decade, has given Palestinians limited self-rule but no state on lands occupied by Israel since 1967. The borders of the Palestinian state, the fate of Jewish settlements built on occupied land and the future of Jerusalem are among the tough issues that the negotiators will face and which past talks have failed to resolve.

EU's Ashton to skip restarted Mideast peace talks

The European Union says it will not participate in the US-backed peace talks between Israel and the Palestinian Authority due to start on Thursday in Washington. A spokesman for the bloc's foreign policy chief Catherine Ashton says she will be in Beijing meeting with Chinese leaders at that time. Spokesman Darren Ennis also said "for the EU as a whole, the focus is on a successful outcome of the talks (and not) on the choreography or who goes to Washington." Ennis was responding to a statement Friday by French Foreign Minister Bernard Kouchner, who said it would be "too bad" if the EU were locked out of the peace process. Ennis said Saturday that "the spotlight should be firmly focused on the talks themselves." 281259 aug 10GMT